

**BOARD OF REGENTS  
MINUTES OF THE MEETING  
MARCH 28-30, 2017**

The South Dakota Board of Regents met on March 28-30, 2017 at Black Hills State University in Spearfish, South Dakota, with the following members present:

Randy Schaefer, President  
Bob Sutton, Vice President  
Kevin Schieffer, Secretary  
John Bastian, Regent  
Harvey Jewett, Regent  
Kathryn Johnson, Regent  
Jim Morgan, Regent  
Pam Roberts, Regent  
Conrad Adam, Regent

Also present during all or part of the meeting were Mike Rush, Executive Director and CEO; Paul Turman, System Vice President for Academic Affairs; Guilherme Costs, General Counsel; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; Kayla Bastian, System Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Dave Hansen, System Chief Information Officer; Molly Hall-Martin, System Director of Student Preparation & Success; Molly Weisgram, System Director of Student Affairs and Executive Assistant to the CEO and Board; Janelle Toman, System Director of Communications; Mary Ellen Garrett, System Accounting Director; Scott Van Den Hemel, System Financial Compliance Officer; Sara Brainard, System Senior Accountant; Barry Dunn, SDSU President; José-Marie Griffiths, DSU President; Tom Jackson Jr., BHSU President; Tim Downs, NSU President; Marjorie Kaiser, SDSU/SDSBVI Superintendent; Kim Grieve, Sheila Gestring, Jim Moran, USD; Michaela Willis, Dean Kattelman, Wes Tschetter, Allyson Helms, Dennis Hedge, Mary Kay Helling, Tracy Greene, SDSU; Kathy Johnson, Randy Culver, Rob Houdek, Chris Crawford, BHSU; Checka Leinwall, Joelle Lien, Alan LaFave, Veronica Paulson, NSU; Steve Malott, Heather Forney, Jan Puszynski, Pat Mahon, Demitris Kouris, SDSM&T; Claudean Hluchy, SDSBVI/SDSD; Marcus Garstecki, Stacy Krusemark, Mark Johnston, Dick Hanson, DSU; Gene Bilodeau, BHSU-RC; Craig Johnson, UC-SF; Robert McLean, Student Federation; and other members of the Regental system and public and media.

**TUESDAY, MARCH 28, 2017**

Regents' President Randy Schaefer declared a quorum present and called the meeting to order at 3:05 p.m.

## **REGENTS' WORKSHOP**

### **University Business Auxiliary Plans**

Scott Van Den Hemel, System Financial Compliance Officer, explained that the intent of the workshop is to provide the Board of Regents a more in-depth view of the Institutions' auxiliary businesses as well as a glimpse into their future auxiliary system plans.

USD: Dr. Kim Grieve, Vice President of Student Affairs/Dean of Students, and Sheila Gestring, Vice President for Finance & Administration, provided an overview of USD's auxiliary revenue system, which includes the Muenster University Center, Wellness Center, and nine residence halls. For FY16 the total coverage ratio for the auxiliary system is 1.6. Housing occupancy remains strong at 94.6%. Upcoming projects include renovations to the north complex commons which will transition the space to offices for student services. Additionally, she discussed planned residence hall upgrades for maintenance and security. She explained that Julien Hall and Brookman Hall will need to be taken off line and demolished. She further explained that the USD Wellness Center has met its capacity and they would like to expand the facility over the next five years.

Regent Johnson asked about the renovation of the North Complex Commons area and whether or not the proposed changes would require that it be removed from the auxiliary system. Sheila Gestring explained that the programs moving to that space are academic programs. Therefore, the academic function will lease it from the auxiliary system.

Regent Sutton asked if Julien Hall is being used. Sheila confirmed that it is not currently in use.

SDSU: Wes Tschetter, Vice President for Business & Finance, and Dr. Michaela Willis, Vice President for Student Affairs, provided an overview of the five areas within the SDSU auxiliary revenue system, which include the Residence Hall system, Dining Services, Student Union, Wellness Center, and Parking Services. When discussing the debt structure, it was noted that SDSU has a debt to asset ratio of 1:3. Much of this debt comes from the substantial re-investment in campus (1,902 beds in the residence halls system in the last 12 years). Wes indicated that because the residence hall system is half of the auxiliary system, what happens there largely affects the entire system. He said for FY18 the institution's coverage ratio is projected to be 1.52. Risk factors that affect the auxiliary system were also discussed. These include the number of first-time/full-time freshmen students, freshmen to sophomore retention, stable credit hour generation/load of on campus students, student choice on type of residence hall room - occupancy, M&R costs/investments in the older stock facilities, asset depreciation greater than maintenance schedule (parking lots, dining facilities, and wellness center).

Dr. Willis highlighted future plans for the auxiliary system, mentioning work on Larsen Commons HVAC system as well as continued evaluation of facilities using the student-experience perspective. She said a Student Union space study is being conducted to determine best utilization of the existing facility. Regarding parking areas, she said in addition to investing \$300,000

annually to maintain and upgrade parking space, the institution is considering new license plate recognition software to help manage parking.

Regent Johnson asked for clarification on the negative numbers in the operating expenses of the Student Union budget. Wes explained that this can happen when there is a revenue stream that is paying for other services on campus.

SDSM&T: Steve Malott, Vice President for Finance & Administration, Heather Forney, Director of Finance/Controller, and Dr. Pat Mahon, Vice President of Student Development and Dean of Students, explained that SDSM&T's auxiliary system consists of the Surbeck Center, Residence Hall system, and the Wellness Center. They explained that the Surbeck Center includes dining services provided by Aramark as well as the book store, meetings rooms, offices, and student success center. The Residence Hall system includes three university-owned halls and three leased apartment style halls. After providing the current year breakdown of revenues and expenditures at component, they indicated that the coverage ratio is 1.54 for FY16. Heather Forney explained that the projected coverage ratio for FY17 is 1.26 but said they anticipate the coverage ratio to be higher than 1.26. Although the institution's residence hall occupancy rate decreased this year, they anticipate an increase in utilization for the next academic year.

Dr. Mahon future plans to the auxiliary system include the Surbeck Center. She explained that SDSM&T asked for approval of its Preliminary Facility Plan to start planning for the Surbeck Center addition in 2014. She indicated that the institution is currently fundraising for this facility and will ask for the next level of approval once the money is in hand. The Surbeck Center expansion would include additional dining space as well as a student success center.

Regent Schieffer asked what prompts SDSM&T's expectation that utilization of residential halls will improve next academic year. Dr. Mahon indicated that the resident sign up is already showing an additional 150 occupants, which would bring it back to 90% occupancy.

NSU: President Downs and Veronica Paulson, Vice President for Finance & Administration, explained that the auxiliary system at NSU is meant to provide students convenient services in order to support their academic endeavors. The NSU auxiliary system includes six residence halls, the Student Center, the Wolf Shoppe (book store), and Dining Services. Veronica provided the revenue and expense statement for FY16 and indicated that NSU's coverage ratio for FY16 is 1.71. She noted that 2/3rds of NSU's General Activity Fee (GAF) money is used to support the operations and debt service of the student union, which demonstrates the need for the proposed \$6.00 GAF increase.

Veronica said that the auxiliary system's three new residence halls will enhance the student experience and indicated that more than 50% of the housing stock will be brand new by Fall 2018. She said in 2017 the Wolves Memorial Suites will open and much promotion is taking place around this facility. She also outlined the efforts to enhance Residence Life, which includes implementing new ideas, such as a living-learning community in McArthur-Welsh Hall for Education Majors. Also, she described new programming models for community engagement; growth and achievement with faculty; and social engagement.

Regarding the Wolf Shoppe, she explained that more and more instructors are moving to electronic classroom materials rather than hardcopy text books, which changes the dynamics of the book store.

In response to a question by Regent Schieffer, Veronica and President Downs explained that in addition to first and second year students, they are working to attract and retain sophomores to the on-campus housing. They are doing several things to promote the new housing opportunities.

DSU: Dr. Marcus Garstecki, Vice President for Student Affairs & Dean of Student, and Stacy Krusemark, Vice President for Finance & Administrative Services, said DSU's auxiliary system includes the Trojan Center Student Union, Dining Services and four residence halls. The auxiliary coverage ratio is 1.78 for FY16. They indicated that housing was at 101% occupancy this academic year, which not only created some challenges but also reaffirmed the need for additional housing that will come online with the opening of Courtyard Hall. Dr. Garstecki provided details of both the Trojan Center renovation (renovation and two new additions) and the Courtyard Hall/Learning Engagement Center (renovation of hospital building), which are currently in progress.

Regent Johnson asked whether or not Zimmerman Hall will be taken off-line. Dr. Garstecki responded by saying they have decided to wait on the decision to close Zimmerman considering this year's high rates of residence hall occupancy.

Regent Morgan asked about the Title III grant recently awarded to DSU, which was mentioned as being housed in the Learning Engagement Center. Dr. Garstecki explained the grant is a five year, \$2.5 million grant focused on student success. He said the grant components will include two main components: hiring a staff of academic advisors as well as creating Supplemental Instruction.

Regent Jewett asked for an explanation of the arrangement with the city of Madison on the 8-plex apartments used by DSU. Stacy said that in year 2000 DSU arranged a 10-year lease agreement with the Madison area housing authority. Since then the arrangement has been renewed continuously, and another three-year lease was just negotiated. The additional three-year agreement will give the institution time to move into the new residence hall space and reassess additional housing needs. It was clarified that the city of Madison built the property and leased it to the campus. The facility is treated as campus housing with residence assistants and rules set and monitored for students in that facility. Stacy said the facility is outside the auxiliary system, although it is treated like any other residence hall.

BHSU: Kathy Johnson, Vice President for Finance & Administration, and Dr. Lois Flagstad, Vice President for Enrollment and Student Affairs, explained that BHSU's auxiliary system includes Housing, Student Union, Dining Services, Book Store, and Parking. They said the coverage ratio for FY16 is 1.32. Dr. Flagstad indicated that this academic year saw a 9% increase in occupancy from the Fall to Spring semesters and sign up for housing next fall shows a record breaking rate of returners. They provided an overview of the BHSU housing options. Additionally, they provided information about the Student Union, which houses the Veterans Resource Center, mail services, and student health and counseling centers. Also, they said the book store will be undergoing a major renovation with a new entrance, larger convenience store, and refreshed look. They indicated that they are working to find affordable and sustainable options for the textbook program. Lastly, they explained some additional services and security measures they have integrated into auxiliary facilities.

IT WAS MOVED by Regent Bastian, seconded by Regent Schieffer, that the Board of Regents dissolve into executive session at 5:30 p.m. on Tuesday, March 28, 2017, to discuss personnel matters; that it rise from executive session at 7:30 p.m.; that it dissolve into executive session at 8:00 a.m. on Wednesday, March 29, 2017, to discuss personnel matters, pending and prospective

litigation, contractual matters, and to consult with legal counsel; that it rise from executive session at 12:30 p.m. to resume the regular order of business; and that it report its deliberations while in executive session. Motion Passed.

## **WEDNESDAY, MARCH 29, 2017**

Regents' President Schaefer resumed the business meeting at 1:05 p.m.

### **BOARD WORK**

#### **3-A Approval of the Agenda**

The Board approved the agenda as published.

#### **3-B Declaration of Conflicts**

Regent Sutton stated that he will abstain from agenda item 7-P.

#### **3-C Approval of the Minutes – Meetings on December 6-8, 2016; January 20, 2017; January 30, 2017; February 24, 2017; March 10, 2017**

The Board approved the minutes of the meetings for the December 6-8, 2016; January 20, 2017; January 30, 2017; February 24, 2017; March 10, 2017 meetings.

#### **3-D Rolling Calendar**

The Board approved next year's Board of Regents meeting to be held on March 27-29, 2018 in Spearfish at Black Hill State University.

A copy of the Rolling Calendar can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **3-E BOR Policy Format Changes**

Dr. Mike Rush, Board of Regents' Executive Director, explained that in an effort to create consistent formatting for BOR Policies, the Board staff recently discussed and agreed upon a common template that will be used as a guide for all new and revised policies going forward.

A copy of the BOR Policy Format Changes can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **3-F Election of Officers**

IT WAS MOVED by Regent Roberts, seconded by Regent Jewett, to elect the following slate of officers: Bob Sutton as President; Kevin Schieffer as Vice President; and John Bastian as Secretary effective March 31, 2017. Motion Passed.

## **CONSENT AGENDA**

Regents' President Schaefer explained that the consent agenda is created to include items that are not anticipated to generate discussion because of their routine manner. He offered that all items will be approved on a single vote unless any regent would like to pull an item from the consent agenda for discussion.

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, to approve items 4-A through 4-L. Motion Passed.

### **4-A Resolution of Recognition**

Approve Black Hills State University to recognize Dr. John Aslup as the Black Hills State University Distinguished Faculty Honoree from March 2017 through March 2018 as described in Attachment I.

Approve Dakota State University to recognize Dianne Halverson for 23 years of outstanding service and dedication to public higher education and to the state of South Dakota as described in Attachment II.

A copy of the Resolutions of Recognition can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **4-B(1) Program Modifications – Black Hills State University**

Approve Black Hills State University's program modifications for its BS in English; BS in Composite Music; BSED in Biology; BSED in Business Education; BSED in Chemistry Education; BSED in Composite English; BSED Elementary Education; BSED in English; BSED in K-12 Special Education; BSED in Composite Social Science Education; BSED in Speech; BSED in Composite Speech Communication; BSED in Composite Science Education; and BSED in Physical Education programs.

A copy of BHSU's Program Modifications can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **4-B(2) Program Modifications – South Dakota School of Mines and Technology**

Approve South Dakota School of Mines and Technology's program modifications for its BS in Interdisciplinary Sciences program.

A copy of BHSU's Program Modification can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **4-B(3) Program Modifications – South Dakota State University**

Approve South Dakota State University's program modification requests for its MS in sport Recreation Studies; MS in Athletic Training; Minor in Health Education; Ph.D. in Nutrition and Exercise Science; Minor in Nutrition; Ph.D. in Pharmaceutical Sciences; and Certificate in Science programs.

A copy of SDSU's Program Modifications can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-B(4) Program Modifications – University of South Dakota**

Approve the University of South Dakota's program modification request for its Master of Public Administration Program.

A copy of USD's Program Modification can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-C(1) New Certificate Requests – Black Hills State University – Social Media (Undergrad)**

Approve Black Hills State University's request for undergraduate certificate in Social Media as described in Attachment I.

A copy of BHSU's New Certificate Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-C(2) New Certificate Request – University of South Dakota – Arts in Health Certificate (Undergraduate and Graduate)**

Approve the University of South Dakota's request for undergraduate and graduate certificate in Arts and Health as described in Attachment I.

A copy of USD's New Certificate Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-C(3) New Certificate Request – University of South Dakota – Business Analytics Certificate (Graduate)**

Approve the University of South Dakota's request for a graduate certificate in Business Analytics as described in Attachment I.

A copy of USD's New Certificate Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-C(4) New Certificate Request – University of South Dakota – Marketing Certificate (Graduate)**

Approve the University of South Dakota's request for a graduate certificate in Marketing as described in Attachment I.

A copy of USD's New Certificate Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-C(5) New Certificate Requests – University of South Dakota – Operations and Supply Chain Management Certificate (Graduate)**

Approve the University of South Dakota's request for a graduate certificate in Operations and Supply Chain Management as described in Attachment I.

A copy of USD's New Certificate Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-D(1) MS in Nursing – Clinical Nursing Leadership – New Specialization Requests – SDSU – MS in Nursing – Clinical Nurse Leader Specialization and Nurse Administrator Specialization.**

South Dakota State University currently offers a Clinical Nursing Leadership Specialization with two emphasis options, Nurse Administrator and Clinical Nurse Leader. Since an academic emphasis does not appear on a transcript, the existing specialization has provided confusion to students and employers. SDSU proposes abolishing the existing specialization and replacing it with the two new proposed specializations. The Nurse Administrator Specialization will prepare graduates to assume leadership positions in health care agencies utilizing concepts and theories from nursing management and health administration. The Clinical Nurse Leadership Specialization will prepare graduates to provide highly skilled point-of-care coordination for acutely ill, complex clients.

Approve SDSU's Clinical Nurse Leader Specialization and Nurse Administrator Specialization in the M.S. in Nursing Program as described in Attachment I.

A copy of SDSU's New Specialization Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-D(2) Inactive Status and Program Termination Requests – SDSU**

Approve South Dakota State University's request to terminate the M.S. in Nursing – Clinical Nursing Leadership Specialization.

A copy of SDSU's Program Termination Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-E(1) New Program Requests – South Dakota State University – Minor in Design Studies**

Approve South Dakota State University's request for a Minor in Design Studies as described in Attachment I.

A copy of SDSU's New Program Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-E(2) New Program Requests – South Dakota State University – Minor in Graphic Design**

Approve South Dakota State University's request for a Minor in Graphic Design as described in Attachment I.



A copy of SDSU's New Program Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-E(3) New Program Request – South Dakota State University – Minor in Inclusion and Equity**

Approve South Dakota State University's request for a Minor in Inclusion and Equity as described in Attachment I.

A copy of SDSU's New Program Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-F New Site Request – South Dakota State University – BS in Psychology**

Approve South Dakota State University's request to offer the B.S. in Psychology online as described in Attachment I.

A copy of SDSU's New Site Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-G(1) Agreements on Academic Cooperation – Northern State University**

Approve the Memorandum of Understanding between Northern State University and Meiji University, Tokyo, Japan shown in Attachment I.

A copy of NSU's Memorandum of Understanding can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-G(2) Agreements on Academic Cooperation – South Dakota School of Mines and Technology**

Approve the Memorandum of Understanding between South Dakota School of Mines and Technology and National Institute of Technology Durgapur, West Bengal, India shown in Attachment I.

A copy of SDSM&T's Memorandum of Understanding can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**4-G(3) Agreements on Academic Cooperation – South Dakota State University**

Approve South Dakota State University's agreements on academic cooperation with the Kumoh National Institute of Technology (Attachment I), Gyeongnam National University of Science and Technology (Attachment II), and EUROACE, S.L (Attachment III) as shown in the attached documents.

A copy of SDSU's Agreements on Academic Cooperation can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-G(4) Agreements on Academic Cooperation – University of South Dakota**

Approve the renewal of the agreement on academic cooperation between the University of South Dakota and Friedrich Schiller University, Jena (Attachment I); and approve USD's new agreement with Pázmány Péter Catholic University (Attachment II) as shown in the attached documents.

A copy of USD's Agreements on Academic Cooperation can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-H Memorandum of Understanding – University of South Dakota and LERN**

Approve the Memorandum of Understanding between the University of South Dakota and the Learning Resources Network as shown in Attachment I.

A copy of USD's Memorandum of Understanding can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-I Naming Requests – South Dakota State University and University of South Dakota**

Approve 1) South Dakota State University's request to rename the Department of Communication Studies and Theatre to the Department of Communication Studies; 2) SDSU's request to rename their Division of Performing Arts to School for Performing Arts; 3) University of South Dakota's request to develop a University of South Dakota Interprofessional Health Education Center (IHEC); and 4) request to rename the Department of Earth Sciences and Physics, within the College of Arts & Sciences, to the Department of Physics.

A copy of the attachments for each Naming Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-J Student Organization Award Winners for 2016**

Approve the recommendations offered by each instruction for student organization awards and to announce the names of the award winners.

A copy of the Student Organization Award Winners can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-K DSU Naming Request – the Courtyard Hall and Learning Engagement Center**

Approve Dakota State University's request to name the former Madison Regional Hospital facility "The Courtyard Hall & Learning Engagement Center."

A copy of DSU's Naming Request can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **4-L M&R Projects**

Approve the requested maintenance and repair projects as described in the item and approved of the executive director.

A copy of the M&R projects can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **PLANNING AND RESOURCE DEVELOPMENT**

### **5-A Welcome and Presentation by BHSU President Tom Jackson, Jr.**

President Tom Jackson, Jr. welcomed the Board and audience to Black Hills State University. He explained that STEM education stands for the following at BHSU: Sustainability, Teaching, learning, engagement by faculty, students and staff, Music and the arts. He showed a short video on sustainability and described the institution's recognized distinction in the area of sustainability. Dr. Desy Schoenewies, Assistant Professor of Art in the School of Arts and Humanities, provided highlights of the BHSU fine arts program.

### **5-B(1) Student Organization Awards – BHSU**

Dr. Lois Flagstad, Vice President for Enrollment and Student Life, presented the Student Organization Awards. The Award for Academic Excellence for 2016 was presented to South Dakota Educational Association. The Award for Community Service for 2016 was presented to the Thompson Diversion Program. The Award for Organizational Leadership for 2016 was presented to the Campus Activities Board – Activity Grants Committee.

A copy of the 2016 Student Organization Awards for BHSU can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **5-B(2) Student Organization Awards – SDSM&T**

Dr. Patricia Mahon, Vice President for Student Development and Dean of Students, presented the Student Organization Awards. The Award for Academic Excellence for 2016 was presented to the American Chemical Society (ACS). The Award for Community Service for 2016 was presented to Alpha Omega Epsilon. The Award for Organizational Leadership for 2016 was presented to the Robotics Team.

A copy of the 2016 Student Organization Awards SDSM&T can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **5-C Reports on Individual Regent Activities**

Regent Bastian reported that two weeks previously he attended the South Dakota School for the Deaf open house at its new west river clinic. At that time he also toured the mobile lab. Regent Bastian reported that the Regents can be justly proud of the facilities, lab and staff.

Regent Morgan said he recently had the opportunity to participate in a conversation coordinated through the PAST Foundation. At that meeting, there were people from the Brookings school district, SDSU, and Brookings economic development all talking about how to improve education in South Dakota.

Regent Adam reported he had the opportunity to attend the student research poster session at the Capitol a few weeks ago. He recognized the impressive work presented by the student researchers.

## **5-D Report and Actions of Executive Session**

Upon convening at 5:30 p.m. on Tuesday, March 28, 2017, the Board dissolved into executive session in order to discuss personnel matters. The Board rose from executive session at 7:30 p.m. The Board dissolved into executive session at 8:00 a.m. on March 29, 2017, in order to discuss personnel matters, pending and prospective litigation, contractual matters, and to consult with legal counsel. The Board rose from executive session at Noon.

Regent Schieffer reported that while in executive session, the Board considered personnel and administrative actions, pending and prospective litigation, contractual matters, consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent Schieffer, seconded by Regent Sutton, that the Board approve directions given to the executive director and the general counsel with respect to matters discussed in executive session, that it:

1. Approve the non-confidential settlement agreement between the Board, on behalf of SDSU, and Jerry Olson for Olson's infringement of the Plant Variety Protection Act Certificates for the Shelby 427 oat variety owned or licensed by the Board.
2. Deny SDSU Faculty Grievance No. 2017-01.
3. Deny SDSU Faculty Title IX/EEO Appeal No. 2017-03.
4. Deny SDSU Applicant Title IX/EEO Appeal No. 2017-02.
5. Deny SDSM&T Applicant Title IX/EEO Appeal No. 2017-01.
6. Deny USD Faculty Title IX/EEO Appeal No. 2017-01.
7. Approve the requests for a one (1) year extension of time for tenure consideration for Nicole Hamonic (USD).
8. Approve the leave requests for Elizabeth K. Haller (NSU); Ginny Lewis (NSU); Matthew James (SDSU); Robert Charles Thaler (SDSU); Todd P. Trooien (SDSU); Hugh Britten (USD); Yeng Deng (USD); Patrick Garry (USD); Karen Koster (USD); Seth Olson (USD); Constantine Gabriel Picioroaga (USD); Johntimothy Pizzuto (USD); and Xiao-Tian (USD).
9. Award the title of Professor Emeritus of History for Dr. Mark Bartusis (NSU); title of Professor Emeritus of Mathematics for Dr. Abderrahman Elkhader (NSU); title of Professor Emerita of Humanities for Dr. Sally B. Palmer (SDSM&T); title of Professor Emerita of Journalism and Mass Communication for Dr. Mary Arnold (SDSU); title of Dean and Professor Emeritus of University College for Dr. Keith Corbett (SDSU); title of Professor Emerita of Pharmacy Practice for Dr. Debra Farver (SDSU); title of Professor Emeritus of Pharmacy Practice for Dr. David Helgeland (SDSU); title of Professor Emerita of Sociology and Rural Studies for Dr. Diane Kayongo-Male (SDSU); title of Vice President Emeritus for Research and Economic Development for Dr. Kevin Kephart (SDSU); title of Professor Emeritus of Graphic Design for Michael (Tim) Steele (SDSU); title of Professor and Department Head Emeritus of Psychology for Dr. Bradley Woldt (SDSU); title of Associate Professor Emeritus for Dr. Paul Bunger (USD); title of Associate Professor Emeritus for Dr. Steve Feimer (USD); title of Professor Emeritus for Dr. Darlene Fett (USD); title of Professor Emeritus for Dr. Timothy Heaton (USD); title of Professor Emeritus for Dr. Gerard A. Jacobs (USD); title of Professor Emeritus for Dr. Tina Keller (USD); title of Professor Emeritus for Dr. Matthew Moen (USD); title of Distinguished Professor Emeritus for Dr. William D. Richardson (USD); title of Professor

Emeritus of Education for Dr. Len Austin (BHSU); and title of Professor Emeritus of Speech Communication for Dr. Pamela Wegner (BHSU). The resolutions of recognition can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

10. Award the title of Distinguished Professor to Dr. Kendra Kattelman (SDSU) and to Dr. Eric Nelson (SDSU).
11. Award a posthumous Bachelor of Science degree in Psychology and Political Science to Brittany Thompson (BHSU).
12. Award an honorary Doctorate of Science degree to LTG Susan S. Lawrence (ret.) (DSU); and award an honorary Doctorate of Public Service to Mr. Jeff Broin (SDSU).
13. Accept the resignation of Mr. Robert (Bob) Otterson from the DSU Vice President for Institutional Advancement and Communications and Marketing effective June 21, 2017; accept the retirement of Dr. Kevin Kephart from SDSU effective June 21, 2017; accept the appointment of Justin Frase as the NSU director of communications and marketing effective January 9, 2017 at an annualized salary of \$75,000; accept the appointment of Dr. Dennis Hedge as SDSU provost and vice president for academic affairs effective March 1, 2017 at an annualized salary of \$251,000; accept the interim appointment of Mr. Mark Johnston as DSU vice president for institutional advancement effective March 8, 2017 at an annualized salary of \$110,000; accept the appointment of Ms. Starla Stensaas as the DSU director of communications and marketing effective April 1, 2017 at an annualized salary of \$85,000.
14. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

Motion Passed.

### **5-E Report and Actions of the Executive Director**

Dr. Mike Rush, Board of Regents Executive Director, recently attended both the student poster session at the Capitol in Pierre and the grand opening of SDSU nursing program in Rapid City. Additionally, he noted that since the last time the Board met in-person, the study examining the Economic Impact of the South Dakota System of Higher Education was officially released. He said the economic impact study shows that the system generates \$2.66 billion every year in gross domestic product.

Dr. Rush provided an opportunity for presidents to introduce new employees. DSU President Griffiths introduced Mark Johnston who recently joined the institution as Vice President of Institutional Advancement. SDSU President Dunn introduced Dr. Dennis Hedge who was recently appointed as the new Provost at SDSU.

A copy of the Interim Actions of the Executive Director can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-F BHSU Foundation Report**

Mr. Steve Meeker, BHSU Vice President of University Advancement, described the BHSU Foundation and provided an overview of how it supports the university. In addition to explaining the foundation's organizational chart, he said the foundation has a 20 member board. He described

the total net assets as well as investment assets of the foundation, and discussed capital campaign efforts which produce student scholarships and operational support for the institution.

A copy of the BHSU Foundation Report can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **5-G 2017 Legislative Overview**

Dr. Janelle Toman, System Director of Communications, presented a high level overview of the 2017 legislative happenings. She said it was a challenging year because of the decline in state revenues and the midsession revision to the state budget due to revenue estimates. She explained that six of the seven bills filed on behalf of the Board of Regents were enacted and highlighted relevant details of those.

A copy of the 2017 Legislative Overview can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **ACADEMIC AND STUDENT AFFAIRS**

### **6-A Student Federation Report**

Robert McLean, Student Federation Executive Director, reflected on his term as executive director of the student federation. He said during his term the federation worked through the process of making and adopting major revisions to the organization's bylaws and constitution. He said that the group agreed upon flat-fee rate structure for all member universities, which totals \$635 per university. He also explained that SDSM&T student Paige Dexter was elected as the new Student Federation Executive Director.

He explained that in order to support incoming Student Federation Executive Directors, the Federation adopted an ordinance requiring the Executive Director to develop a transition document to help the incoming Executive Director function most effectively.

Regent Johnson commended Mr. McLean on his work revising the constitution and bylaws. Regent Bastian also recognized Mr. McLean's good work and said the Board has great respect for the Federation and all the work it does to represent the student body.

### **6-B Institutional Items of Information**

The Board received Institutional items of information submitted by the institutions and special schools.

A copy of the Institutional Items of Information can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-C(1) New Program Requests – Dakota State University – AS in Software Development**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, said DSU requests authorization to offer an Associate of Science (A.S.) in Software Development. The program will prepare graduates to develop, create and modify general computer applications software or specialized software, including analysis of user needs, design, implementation, testing and maintenance. The degree will prepare students in a wide range of careers including education,

business and industry, management, social and human services, corporate and non-profit organizations. The A.S. in Software Development will prepare graduates for entry-level work in the field and provide stackable transfer options into existing bachelor's programs in Computer Science, Cyber Operations and Network & Security Administration.

DSU is requesting authorization to deliver the program off campus at the University Center-Sioux Falls and online. Dr. Perry mentioned that per the Memorandum of Understanding for the University Center-Sioux Falls (approved April 2016), a university may request approval from the Board for use of the standard off-campus tuition rate (\$333.35/hour) rather than the UC-SF tuition rate (\$270/hour) for high cost programs. With that, he said DSU is requesting an exemption for 100- and 200-level courses in Computer Science (CSC) and Computer Information Systems (CIS). Approval of this exemption means program students receive 24-30 credits at the UC-SF rate of \$270/hour and 30-36 credits at the \$333.35/hour rate.

IT WAS MOVED by Regent Morgan, seconded by Regent Roberts, to approve DSU's A.S in Software Development as described in attachment I. Motion Passed.

A copy of the New Program Request from Dakota State University – AS in Software Development can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-C(2) New Program Requests – South Dakota State University – A.S in Construction Technology**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that SDSU requests authorization to offer an Associate of Science (A.S.) in Construction Technology. The program incorporates content in scheduling, construction materials, project control, and building methods with the liberal arts component of the system general education requirements. Graduates can expect entry-level positions in construction and affiliated industries. In addition, graduates can apply their credits to the SDSU B.S. in Construction Management and graduate with additional sixty credit hours.

Dr. Perry explained that the Executive Director waived the Intent to Plan due to SDSU having an existing bachelor's degree program in Construction Technology and that SDSU does not request any new State resources to implement or maintain the proposed program.

IT WAS MOVED by Regent Jewett, seconded by Regent Schieffer, to approve SDSU's A.S. in Construction Management as described in Attachment I. Motion Passed.

A copy of SDSU's New Program Request, A.S. in Construction Technology, can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-C(3) New Program Requests – South Dakota State University – A.S. in Sociology**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, said SDSU requests authorization to offer an Associate of Science (A.S.) in Sociology. The purpose of this proposed program is to provide an associate-level credential to prepare graduates to serve in entry-level positions in human services, human resources, office and management assistance, and criminal justice/law enforcement. In addition, graduates looking to continue their education can complete the A.S. in Sociology with an additional sixty credit hours.

Dr. Perry explained that the Executive Director waived the Intent to Plan due to SDSU having an existing bachelor's degree program in Sociology and that SDSU does not request any new State resources to implement or maintain the proposed program.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve SDSU's A.S. in Sociology as described in Attachment I. Motion Passed.

A copy of SDSU's New Program Request, A.S. in Sociology, can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-C(4) New Program Requests – USD – AA in Graphic and Web Design (UC-SF)**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, said USD requests authorization to offer an Associate of Arts (A.A.) in Graphic and Web Design. Graduates of the program will acquire critical knowledge and skills for entry-level work in the field as well as opportunities to apply their credits to a bachelor's degree. Courses from the AA degree will transfer into the BFA in Art and the BFA in Art Education, allowing graduates to complete the BFAs with an additional sixty credits. Students in the program will develop a body of creative works for use in portfolios for job applications or future schooling applications.

Dr. Perry explained that the Executive Director waived the Intent to Plan due to USD having existing BFA programs in Graphic Design and Art and that USD does not request any new State resources to implement or maintain the proposed program.

He explained that the UC-SF Memorandum of Understanding allows rate exemptions for high cost programs with Board approval. He said USD is requesting the rate exemption as part of its approval of the Associate of Arts (AA) in Graphic and Web Design at UC-SF. He said USD specifically requests an exemption to use the \$333.35/credit hour rate for 100- and 200-level courses using the ART and ARTD prefixes. Approval of this exemption means program students receive thirty of the sixty required credits of the program at the UC-SF rate (\$270/hour).

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve USD's A.A. in Graphic Design as described in Attachment I. Motion Passed.

A copy of USD's New Program Request, A.A. in Graphic Design, can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-C(4-a) Rate Approval for USD Certificates in Graphic Design and Web Design at University Center-Sioux Falls**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that USD requests approval of a rate exemption for the certificates in Graphic Design and Web Design. Both certificates are offered at University Center-Sioux Falls (UC-SF).

He again touched on the fact that the UC-SF Memorandum of Understanding allows rate exemptions for high cost programs with Board approval. The standard rate for 100-200 level courses at UC-SF is \$270/hour; an exemption would allow USD to charge the regular off-campus tuition rate of \$333.35/hour. He also explained that USD is requesting the rate exemption as part



of their approval of the Associate of Arts (AA) in Graphic and Web Design at UC-SF. The exemption would apply to courses in the program that use the ART and ARTD prefixes. Both of the certificates stack to the AA and share coursework with the ARTD prefix. The Board approved the certificates in Web Design and Graphic Design at the December 2016 meeting; however, the initial certificate approval did not include a request for the rate exemption.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the rate exemption to allow USD to charge the regular off-campus tuition rate for the certificates in Graphic Design and Web Design at the University Center-Sioux Falls. Motion Passed.

A copy of the Rate Approval for USD Certificates in Graphic Design and Web Design at University Center-Sioux Falls can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-D Intent to Plan – SDSU BS in Leadership and Management of Nonprofit Organizations.**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, said SDSU has submitted an Intent to Plan requesting approval to develop a Bachelor of Science (BS) in Leadership and Management of Nonprofit Organizations. He said approval or waiver of an Intent to Plan is required prior to submitting a formal program proposal. The program will provide education in marketing, public relations, fundraising, volunteer recruitment, program development, and other skills vital to success in the nonprofit sector. Graduates would qualify to obtain positions with local, national, and international nonprofit organizations. Dr. Perry explained that SDSU does not intend to offer the program off campus.

Regent Jewett said this is an increasingly large part of the economy and believes this is a strongly needed degree.

Regent Johnson recognized that students who are age 18-22 are making choosing degrees that influence their entire life. She asked if a degree like this would narrow students' options. Provost Dennis Hedge said there is great demand from students for this particular program. He noted that many of the courses within the program are broad and transferrable. In response to a follow-up question by Regent Johnson, Dr. Hedge said the demand in this area dictated the label.

Regent Sutton said this major is absolutely necessary and has the potential to take our region's nonprofits to the next level. He noted that this is the third most popular major at the Carlson School of Business at the University of Minnesota.

IT WAS MOVED by Regent Morgan, seconded by Regent Roberts, to authorize SDSU to develop a proposal for a B.S. in Leadership and Management of Nonprofit Organizations as described in Attachment I. Motion Passed.

A copy of SDSU's intent to plan for a B.S. in Leadership and Management of Nonprofit Organizations can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-E Summary of Pending and In-Progress Program Requests**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, presented a summary of the pending and in-progress program requests and explained that the current list of pending programs is available for viewing on the Proposed Program Tracker Dashboard on the Academic Affairs

Council website. He explained that the list includes current Intents to Plan, New Program, New Site, New Certificate, and New Specialization proposals and their status within the approval process. The Proposed Program Tracker Dashboard indicates that over 100 programs are currently in development stages on Regental campuses and over 30 are currently under review with universities and Board office staff.

Dr. Perry said the Board approved 50 program proposals (certificates, minors, associate degrees, bachelor's degrees, graduate degrees) in the calendar year 2016. This is the most programs approved in any year since 1972 when a statewide initiative led to the approval of over 30 associate programs (the 32 programs approved in 2015 rank as the fourth highest year since 1973). In addition, the Board approved five intents to plan and ten new site requests in 2016, bringing the total of program-related approvals to 65 in 2016.

Regent Johnson asked if certificates are mainly designed for students currently completing a degree or for those working and wanting additional skills. Dr. Perry said that they are designed in a number of ways to fit different types of students. He said that nearly all certificates are designed to be stackable so they could be applied to future degree coursework. In response to a question about whether or not students must be fully admitted in order to take the coursework, Dr. Turman described the nuances of being "fully admitted" and said much of this ties to whether or not a student is pursuing federal financial aid.

In response to Regent Morgan's clarifying question, Dr. Turman said that non-degree seeking students will be put into an admissions category in which they do not need to fulfill any particular criteria in order to participate.

A copy of the Summary of Pending and In-Progress Program Requests can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **6-F Programs Approved for Online and Off-Campus Delivery**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the Board is being asked to review and approve two lists in order to assist campuses and the Board in transparency and in monitoring programming duplication.

He said the first list represents the best understanding of campuses, the Academic Affairs Council, and the Board office staff as to programs authorized by the Board as online programs or Authorized for off-campus sites (e.g., university centers). Programs on this list are offered either entirely online or at an off-campus site and the Board approves online and off-campus delivery of programs when new programs are brought to the Board for authorization or through a new site request for an existing program transitioning to online or an off campus location. Because comprehensive and accurate lists of these programs do not currently exist, the Board is being asked to approve the list offered as Attachment I of the agenda item. From there, Board office staff will update the list after every Board meeting and publish an accurate list of such programs on the Board's website.

He said the second list represents programs offered at least 50% online but not approved by the Board as an online program. The Higher Learning Commission (HLC) states that if more than 50% of the courses required for any program can be completed online, the institution should be reporting the program as an online offering. The Board addressed this issue at its December 2012 meeting, requiring approval of programs that meet HLC's definition of distance education. It did this

because the HLC definition differs from the list in Section 1 of this agenda item. He said that going forward AAC's new program approval forms will include reference to the 50% threshold so that such approval will occur with new programs as needed. In addition, institutions will submit an annual list of programs meeting this definition to the Board.

Regent Jewett said it is troublesome that our system has not made a consistent effort to safeguard fraud, outside of proctored tests. In response Dr. Paul Turman, System Vice President of Academic Affairs, described two mechanisms in the system that are meant to do this. He said all courses go through a system-wide quality review process. On the authentication side, he explained an update had been provided to the Board regarding modifications to federal regulations to ensure that campuses had processes/procedures in place to ensure that the students completing the work are actually who they say they are. He indicated efforts underway are already working to address these concerns, including authentication and plagiarism detecting software, of which he indicated a willingness to provide the Board an update at a future meeting if requested.

Regent Schieffer asked if there is a standardized definition for online courses, recognizing the difference between the accrediting body definition and the Regental system's definition. Recognizing the inconsistencies, Dr. Perry offered that the Regental system is more conservative because it wants to be upfront with the students about the program expectations.

Further discussion ensued about the how the percentage of online content within a single course is calculated.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve 1) the list of approved online and off campus program sites as provided in Attachment I; and 2) the list of programs reported as at least 50% online as provided in Attachment II. Motion Passed.

A copy of the programs approved for Online and Off-Campus delivery can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **6-G University Center – Sioux Falls Update**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, presented the update for the university center that summarized efforts and accomplishments in implementing the Memorandum of Understanding (MOU) over the past year. He said the MOU included a directive to provide stackable, workforce ready associate and certificate programs for Sioux Falls. He report that in the past year, six new associate degree programs received approval. These programs join four pre-existing programs. In addition, four undergraduate certificates stackable to available associate degree programs have received approval. Additionally, in response to Board requests for an expedited approval process for associate degree programs, revisions to BOR Policy 2:23 are under Board consideration. The revisions would eliminate a time-consuming step in approving new associate degree programs for UC-SF.

He explained that an Advisory Council was also created consisting of representatives from the Sioux Falls business and civic community and partner universities and they met four times during 2016. The Council met again in March of 2017 to discuss programs under consideration as well as a preliminary report from FutureWorks consultants. The intent of the Advisory Council is to provide community leaders with direct communication and input to UC-SF and to allow UC-SF leaders to hear directly from local business interests.

Additionally, UC-SF and the consulting firm FutureWorks are currently engaged in a strategic planning and assessment project. The project calls for 1) refining the UC-SF vision, mission and values; 2) preparing a market and needs assessment of the Sioux Falls region; and 3) preparing a 3-year strategic plan and business plan for UC-SF. FutureWorks consultants interviewed over 25 stakeholders from the university system and the local community. Consultants presented preliminary information to various UC-SF committees in March of 2017.

UC-SF participated in two presentations to legislators during 2016. In August, staff presented information at the request of the legislature's Government Operations and Audit Committee. In September, staff presented to a special legislative task force charged with reviewing compliance with SDCL 13-51-1.3 and SDCL 13-51-1.4.

He described the new student success initiatives recently implemented by the UC-SF. These include a new Student Support Center, a monthly Math 095 Bootcamp, and finals week events focusing on health, wellness, and stress release has begun.

Also, UC-SF hired a Marketing and Communications Coordinator in October 2016. He explained that a marketing plan for 2017 has been created, including billboard, radio, print media, and social media. Staff have increased involvement with community organizations on behalf of UC. Promotion of new academic programs is occurring through promotional videos and outreach to the newspapers and television news.

In response to a question by Regent Morgan, USD Provost Moran described several meetings with leadership of SouthEast Technical Institute to provide support and coordinate with efforts by the technical schools around general education.

Receiving a question about student demographics, UC-SF Executive Director Craig Johnson explained that the current student pursuing the Associates Degree in General Studies is a mix of full-time and part-time students.

Regent Jewett noted that only full-time students have federal financial aid opportunities. Knowing that, he asked how part-time students are able to access financial aid. Dr. Johnson said there are scholarships through the UC Foundation where students do not have to be a full-time student to qualify. He said the intention is that within the next year, the foundation will take another run at fundraising for these types of student scholarships. Dr. Johnson noted that in addition to finances, students repeatedly say that a lack of time is the number reason students stop out. He said this is related to finances, because students work to earn money, but there are more reason for a lack of time which include children.

Regent Johnson asked about the admissions standards at the UC. Provost Moran said that the admission standards at the UC are more flexible than at the on campus locations. He explained that older students beyond age 24 are not required to bring an ACT score. He said as they think about the growing populations, they continue to consider the admission standards and reconsider the need.

Dr. Johnson said they have incorporated an intrusive advising method as well as workshops and peer tutoring and mentoring. He also reported that the first cohort in the fall semester was 50% Caucasian and 50% non-white, which is nearly triple what they typically see for diversity.

Regent Schieffer asked when the consultant's report will be final. Dr. Johnson said that the consultants will provide the deliverables on May 25 in an open meeting. Then the UC will create timelines and actionables.

Regent Sutton recognized that the recent round of meetings have transitioned into a new level of dialog. Dr. Johnson said that the UC is really reinventing/rebuilding how it fits into the community and how it partners rather than competes with the Sioux Falls technical college.

Dr. Johnson described the UC's efforts to address career advising with students in a holistic way, which strives to help the students really understand the ramifications of a career choice. They are even exploring how they could bring this effort into the high schools.

Regents recognized the work of Dr. Craig Johnson and Dr. Jay Perry in this effort.

A copy of the University Center – Sioux Falls Update can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-H BOR policy 2:23 Revision – Program and Curriculum Approval (Second Reading)**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, introduced BOR Policy 2:23 for its second reading. He said these revisions attempt to build a comprehensive, restructuring of the policy in response to a Board conversations at its August meeting about the need to streamline the approval process of degree programs. Because Board members expressed interest in establishing a process that expedites associate degree program approvals for improved response to market needs, revisions laid out in policy identify methods for waiving the intent to plan process for associate degree programs, define which academic credentials appearing on a transcript require Board approval, maintain authorization for universities to offer certificates of recognition, and identify the approval process for new courses, minor course and program modifications, and substantive course and program modifications.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the second reading of the revisions to BOR policy 2:23 as presented. Motion Passed.

A copy of the BOR Policy 2:23 Program and Curriculum Revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-I BOR Policy 1:5 Revisions - Executive Director**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that he brought the first reading of revisions to BOR Policy 2:23 to the December 2016 BOR meeting. Those revisions included designating authority to the System Chief Academic Officer to approve new unique and common courses as well as substantive course and program modifications. With the approval of the revisions to BOR Policy 2:23, it is also necessary for one section of Board Policy 1:5 to be revised so that the two policies are not contradictory. In addition, the current reference to curriculum approval in BOR Policy 1:5 includes obsolete terms that require deletion.

Regent Morgan noted that he plans to propose a motion to support this policy revision but explained that he will do this with an emergency clause. He explained his rationale for the

emergency clause by saying that this policy change incorporates a change already vetted through two readings in policy revisions to BOR Policy 2:23.

Regent Jewett said he has concern with section 6, which says grants “may” be submitted to the Executive Director. He believes that an opportunity is missed when the Board office is not involved in the process of reviewing and accepting grants. He said grant dollars comprise 20% of the system budget.

Dr. Turman said that the process proposed is logical to address concerns raised regarding oversight, but that oversight comes at a potential delay in processing that may have an adverse impact on campuses’ ability to submit grant proposals. He said the two points of review suggested, which include when institutions are considering submitting an application grant proposal and before they actually accept the grant, could seriously hamper the timely submittal of grant applications. He suggested another option where the Vice Presidents on the campuses would follow a Board-defined process that would comply with the necessary checkpoints.

Regent Jewett continued to express concerns and said that the system carries significant risk in this grant process. He didn’t think it would hamper the competitive ability of the institutions to have the Board office review.

Dr. Turman explained that 1,300 grants are submitted from the Regental system a year. In order to accomplish the proposed review, it is likely that the Board would need a few additional staff members to complete the responsibilities of the proposal. He said the Board could articulate the specific issues into a compliance checklist for institutional staff at the grants and contracts offices instead.

Both Regents’ President Schaefer and Regent Morgan said they felt that this job is more appropriate for the employees on campus. Regent Jewett expressed his trust for the employees but emphasized his desire to integrate modern processes.

IT WAS MOVED by Regent Morgan, seconded by Regent Sutton, to approve the emergency implementation of the revisions to BOR Policy 1:5 as presented. Motion Passed.

A copy of BOR Policy 1:5 Executive Director Revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-J BOR Policy 1:21 Revision – System Strategic Goals (First Reading)**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, presented BOR Policy 1:21 System Strategic Goals revisions. He said that the Board of Regents adopted new strategic goals as part of a new strategic plan in October of 2014. However, BOR Policy 1:21 System Strategic Goals was not updated at that time. The proposed revisions to BOR Policy 1:21 provided as Attachment I of the agenda item represent the Board’s current strategic goals as indicated in the strategic plan.

Regent Morgan said that because this is merely a cleanup of changes already documented, he felt that emergency implementation was appropriate.

Regent Bastian took the opportunity to compliment the staff on the new policy format change. He said this is a good example of the format and said it is helpful to have the information laid out in this way.

IT WAS MOVED by Regent Morgan, seconded by Regent Roberts, to approve emergency implementation of BOR Policy 1:21 System Strategic Goals policy revisions as presented. Motion Passed.

A copy of BOR Policy 1:21 System Strategic Goals first reading can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-K BOR Policies 2:7 & 2:26 Revisions – General Education Credit Distribution (First Reading)**

Dr. Paul Turman, System Vice President for Academic Affairs, presented the policy changes to BOR Policies 2:7 and 2:26 to further clarify credit hour distributions. He said after this final set of revisions that will likely come at the May 2017 meeting, the general education redesign will be complete.

He explained that the institutions were asked to identify their campus designations for the 12 and 6 credit hours of flexibility to be aligned within the curriculum. As a result, each campus discussed individually and came back with a nearly identical placement of their 12 credit hours. However, he felt that it is important to keep the framework in place, so the campuses have flexibility in the future to shift requirements depending on degree programs. Additionally, when it comes to the Associate Degree requirements, the institutions felt that the students should be able to pick courses in Goals 3, 4 or 6 to best complement that coursework in their particular program. He said language will likely be included in the policy for second reading approval to provide this flexibility.

IT WAS MOVED by Regent Morgan, seconded by Regent Roberts, to approve the first reading of BOR Policies 2:7 & 2:26 General Education Credit Distribution revisions as presented. Motion Passed.

A copy of BOR Policy 2:7 and 2:26 General Education Credit Distribution Revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-L BOR Policy 1:30 Revisions – Unmanned Aircraft Systems Policy (Emergency Approval)**

Nathan Lukkes, System Assistant Vice President of Research & Economic Development, presented the BOR Policy 1:30 Unmanned Aircraft Systems Policy revisions to the Board. He noted that at the April 2015 meeting, the Board adopted the policy. However, on June 21, 2016, the Federal Aviation Administration issued its new rules for non-hobbyist small unmanned aircraft operations – Part 107 of the Federal Aviation Regulations – which cover a broad range of commercial uses for drones weighing less than 55 pounds. The new rules, commonly referred to as “Part 107,” became effective August 29, 2017.

He explained that prior to Part 107, universities had to identify an operation as civil or public, then pursue a Certificate of Authorization (COA) or Section 333 Exemption, as appropriate, to operate the UAS. Part 107 provides greater flexibility to universities and allows them to opt into the civil framework of Part 107 and operate as a civil aircraft under Part 107, so long as the “public” aircraft

operation can function under Part 107. No special notice is required to operate in this fashion, the operation must simply comply the Part 107 rules. Consequently, Part 107 has streamlined the process and is the preferred method for university UAS operations, assuming the operations are compatible with the Part 107 framework.

BOR Policy 1:30, as currently written, does not address UAS operation under Part 107. As such, draft revisions to BOR Policy 1:30 have been prepared to address the implementation of Party 107, in addition to adjusting the policy to align with the new BOR policy template. The proposed changes have been vetted through RAC, BAC and COPS with no negative feedback. Because Part 107 offers a more efficient and streamlined process for university UAS operations, emergency approval is sought pursuant to Section 5.5.1 of the BOR By-Laws to expedite the alignment of BOR Policy 1:30 with current best practice.

IT WAS MOVED by Regent Morgan, seconded by Schieffer, for emergency approval of BOR Policy 1:30 Unmanned Aircraft Systems Policy revisions as presented. Motion Passed.

A copy of BOR Policy 1:30 Unmanned Aircraft Systems Policy revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-M(1) SDSU Program Modification – Accelerated Track: MS in Sociology**

Dr. Paul Turman, System Vice President for Academic Affairs, presented the proposed SDSU program modification request to create an accelerated pathway for undergraduate students to obtain a Master's degree in Sociology at SDSU. This would allow students the opportunity to pursue the accelerated coursework under Option A (Thesis), Option B (Research/Design Paper), or Option C (Coursework Only) plans of study. Undergraduate students with conditional acceptance into the Master's program will complete 12 credits of graduate work which will count toward both the undergraduate and the graduate degree.

Regent Johnson recalls approving other programs like this. She asks how they are working. Dr. Turman said that it has taken some time to figure out the coding to track when the student is officially recognized as participating in the accelerated master's track. He said this would be good information to bring back to the Board at a future meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve SDSU's program modification request to add an accelerated pathway option for the M.S. in Sociology program. Motion Passed.

A copy of SDSU's Accelerated Track for M.S. in Sociology Program Modification can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **6-M(2) USD Program Modification – Accelerated Track: MS in Computer Science**

Dr. Paul Turman, System Vice President for Academic Affairs, presented the USD program modification request to create an accelerated pathway for undergraduate students to obtain a Master's degree in Computer Science at USD. Computer science has been identified as a field with critical workforce needs, and the U.S. Department of Labor has predicted a critical shortage of skilled computer scientists in the next 5-10 years. As workforce demands for highly skilled computer scientists are growing, especially in the areas of Software Development, Data Analysis,



Computer Networks and Security, the Accelerated Master's program will enable USD's students to enter the highly skilled workforce quicker.

IT WAS MOVED by Regent Morgan, seconded by Regent Johnson, to approve USD's program modification request to change the total credits required for the program as well as add an accelerated pathway option for the M.S. in Computer Science. Motion Passed.

A copy of USD's Accelerated Track for M.S. in Computer Science Program Modification can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **6-N General Education Program Modifications**

Dr. Paul Turman, System Vice President for Academic Affairs, explained that during the August 2016 meeting, the Board approved a number of revisions to BOR Policies 2:7 and 2:26 to reflect changes to the General Education curriculum for both the Associate and Bachelor degree programs. One of the major changes to these policies was the elimination of the Institutional Graduation Requirements (IGR's) on each campus which required institutions to complete a series of Major Program Modifications as departments/units began to integrate the additional credit hours into the various program requirements. He said across five of the Regental institutions (SDSM&T had already eliminated their IGR's in 2010 when reducing credit hour requirements from 136 to 128), each undergraduate major/specialization needed to facilitate program modifications. In order to do so, campus curriculum committees engaged in the process of reviewing the set of program modifications that would ultimately need to be approved by the Board.

He explained that each institution has provided the Board with a brief overview of the program modifications being requested. Because each campus varied in the number of IGR credit hours available following the BOR policy change in August, different approaches emerged as the program modifications came forward. For instance, BHSU, SDSU and USD saw additional credit hours added to the various program requirements. The computer science course requirements at DSU were added to all degree requirements which served as prerequisites for roughly 90% of their degree options. Lastly, NSU sought to provide students with considerable elective credit while adding in a two credit hour first-year seminar specific to each degree program.

He said the recommendation is for the Board to approve submitted revisions in order to formalize the IGR elimination in the 2017 Fall catalogs at the various campuses.

Regent Johnson recognized Dr. Turman and the Academic Affairs Council for their work over the last several years toward this goal. She said this effort streamlines requirements for students while maintaining the quality of education.

IT WAS MOVED by Regent Morgan, seconded by Regent Sutton, to approve the substantive program modification requests to finalize the elimination of the Institutional Graduation Requirements (IGR's) for the 2017 catalogs. Motion Passed.

A copy of the General Education Program Modifications can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **6-O College Application Week**

Molly Hall-Martin, System Director of Student Preparation & Success, explained that South Dakota's third College Application Week took place from October 31-November 4, 2016, and included 40 schools. Of the 40 schools invited to participate, 33 high schools had students submit applications to Regental institutions. She said because the first two cohorts of the College Application Week are now first and second year students at postsecondary institutions across the country, data from both National Student Clearinghouse and the South Dakota Department of Education can be used to track the enrollment and persistence of these students. She said that an analysis of postsecondary enrollment trends for students from high schools that have participated in College Application Week shows that participating high schools have seen growth in the percentages of their students staying in South Dakota and enrolling at Regental institutions.

She recognized Leon Leader Charge, Jump Start Access Advisor, and Gear Up Regional Coordinators for their assistance in the work to make the College Application Week successful.

Regent Sutton asked for the rationale of how high schools were selected to participate. Molly said they used the data in the matriculation dashboard and prioritizing the schools with the lowest matriculation. Additionally, she worked with the school counselors at those schools to ensure they were ready and able to participate. She indicated that school counselors are integral in the success of the program.

Regent Johnson sited the great success of the program by commenting on the numbers in the report. She said the report shows that because of the program, 141 students have enrolled in the Regental institutions who otherwise wouldn't have enrolled. Furthermore, over 170 student enrolled in other institutions who likely wouldn't have otherwise enrolled.

A copy of College Application Week can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **6-P Proactive Admissions**

Molly Hall-Martin, System Director of Student Preparation & Success, explained that in 2011 the Academic Affairs Council discussed the option of establishing an alternate approach to admission that would grant provisional admission to students as a mechanism to both better facilitate application processing and encourage students to eliminate any remedial deficiencies they might have before they complete their first semester. Despite considerable discussion, the proposal was set aside due to the adverse implications it might have on student enrollment interest. However, more recently states have begun to explore an alternative model of proactive admission that does not place any barriers on students once they have been admitted.

She said that since the fall Board office staff have been engaged in discussions with the South Dakota Department of Education on making a similar program work for South Dakota. Therefore, the work to get in place the necessary data agreements is ongoing. Additionally, admissions staff from the system were engaged and the group advised the project by saying students who receive provisional admission need to be fully and explicitly informed about the next required steps in the admission process. They also recommended three tiers of letters that focused on different levels of admission. She noted that the proactive admissions would dovetail well into the College Application Week activities.

In response to a question by Regent Johnson, Dr. Paul Turman, System Vice President of Academic Affairs, provided more details about the data agreement with the S.D. Department of Education, referencing Infinite Campus which is the information system used by the public secondary schools.

A copy of Proactive Admissions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

Before moving to the Budget and Finance Committee items, Dr. Paul Turman asked for a personal privilege in order to recognize a new Board office employee, Tasha Dannenbring, who has taken the role of System Director of Institutional Research.

## **BUDGET AND FINANCE**

### **7-1 Building Committee Report**

Dr. Monte Kramer, System Vice President of Finance & Administration, provided information regarding the activities of the various building committees since the Board's last meeting.

A copy of the Building Committee Report can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-B Capital Projects List**

Dr. Monte Kramer, System Vice President of Finance & Administration, provided the Capital Improvement Project List identifying the current capital improvement projects along with Regental representative, estimated dollar amount, the source of funds for the project, and the current status of the project. Recognizing a small error in the original item, Dr. Kramer provided a revised Capital Projects List that included correct numbers for one of the projects listed.

A copy of the Capital Project List can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-C BOR Policy 4:47 Revision – Background Checks (First Reading)**

Kayla Bastian, System Director of Human Resources, explained that IRS publication 1075, issued in September 2016, provided new policy guidelines for background check requirements for organizations that receive Federal Tax Information (FTI) directly from the IRS, or a secondary source. In the Regental system, some employees working with financial aid information are impacted by this new regulation because of the information that is received through the financial aid verification process from the U.S. Department of Education and also through the receipt of tax transcripts.

As a result of the IRS publication 1075, which requires that employer policies include specific requirements, the BOR policy 4:47 is being revised to include Section 5. Essentially the changes require that any employee, contractor or subcontractor who has access to FTI undergo a criminal history check, including FBI fingerprinting, and will have to do so every ten years. In addition, any convictions of crimes related to identity theft, misuse, misappropriation or mishandling of funds would preclude an individual from getting security access to FTI.

IT WAS MOVED by Regent Schieffer, seconded by Adam, to approve the first reading of the revisions to BOR Policy 4:47 as presented in Attachment I. Motion Passed.

A copy of the BOR Policy 4:47 Revisions – Background Checks can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **7-D SDSM&T Math Initiative**

Dr. Monte Kramer, System Vice President of Finance & Administration, shared information about the SDSM&T Math Initiative and funding for that program. He said the Mines program was funded with private money in FY16 and one-time state funds in FY17 in the amount of \$250,000.

He said for FY18, likely because of the revenue situation, the only items recommended by the Governor were adjustments to existing base programs including South Dakota Opportunity Scholarship, Postsecondary Scholarship, special schools teacher salaries, and maintenance and repair. In the end, the system's operating base budgets were cut, the maintenance and repair base was cut, and there was no money for the Math Initiative. Prior to the final action, a meeting between Senator Tidemann, Representative Anderson, Senator Partridge, Dr. Rush and Dr. Kramer was held to discuss options for funding the program. It was agreed that the Board and SDSM&T would pursue private funds or identify one-time funds within BOR that could be used for FY18, and to bring the program request back in FY19.

He explained that the only system funds available that have not been committed are the dollars in the tuition reserve fund. The fund is projected to have \$4,393,241 at the end of FY17, or 3.87% of the annual tuition revenue. The goal for the fund is 5% of on-campus tuition or an estimated \$5,670,863. By the end of FY18, when Mines pays back the balance of their loan, the fund will be at 4.76%. Using \$250,000 of tuition reserve funds would bring the projected balance to \$5,143,241 or 4.53%.

He said SDSM&T took its share of the base budget reduction for FY18. If the system does not continue to fund the Math Initiative, SDSM&T essentially takes another \$250,000 reduction. Funding the program for FY18 will keep the program alive and provide one more year to collect solid data results.

Regent Schieffer recognized the importance of this program; however, he said there are many priorities for the system. He is concerned that because the tuition reserve fund does not have a steady stream of income outside of the interest earnings, it is important to reserve this money for emergencies.

SDSM&T Provost Demetris Kouris said this program has been tested and is successful. It has the opportunity to make a big difference for the preparation of SDSM&T students. He said it does constitute a major priority for the institution because math is the foundation of everything they do at the institution.

In response to a question by Regent Bastian, Dr. Kramer indicated that the only policy statement on this fund says that the fund is to be used for emergencies and strategic initiatives. He said this is the first time the pool of money would be used for initiatives, but \$250,000 is not a significant amount. Dr. Kramer said he believes the Board needs to maintain the pool of money for emergencies and initiatives.

Dr. Rush provided some context to the decision to recommend use of the fund, noting that this was a high priority of the Board and not funding it would create a large cut for SDSM&T this year.

Regent Jewett supports supporting this priority with money from this fund, and he stressed the importance of maintaining a reserve for the system.

Upon request by Regent Morgan, SDSU Provost Hedge provided information about the funds SDSU originally requested for this same purpose.

Regent Schieffer said that a reserve fund should be for emergencies and not priorities. He would prefer using this money for the SDSM&T math program as an emergency because we are at risk of losing the program if not funded. He would like to tighten the language in the policy and consider deleting the word “priority.”

Dr. Rush followed up to say that this effort would not be funded by the Board’s reserve fund in an ongoing manner. It will need to be funded by the legislature next year or it will have to go away.

It was clarified that the difference between funding the program at SDSM&T and not SDSU this year is that the legislature funded the SDSM&T program last year with one-time money. By bridging the program this year with the Board’s one-time money, it is more possible that the program will be funded with base money next year.

Provost Kouris provided background about how the program was started and how it got the attention of the legislature. He said SDSM&T would like to see every Regental institution with a similar program.

Regents’ President Schaefer encouraged SDSU and the other Regental institutions to work with the Board office staff to consider a joint legislative proposal for funding a similar program.

IT WAS MOVED by Regent Schieffer, seconded by Regent Johnson, to approve the Executive Director to allocate up to \$250,000 from the tuition reserve pool to SDSM&T on a one-time basis to fund the SDSM&T Math and Mines Initiative for FY18. Motion Passed.

A copy of the SDSM&T Math Initiative can be found on pages \_\_\_ to \_\_\_ of the official minutes.

#### **7-E FY17 HEFF M&R Allocation Adjustment**

Dr. Monte Kramer, System Vice President of Finance & Administration, explained the proposal to make an adjustment to the annual Higher Education Facilities Fund (HEFF) allocation this year due to the fact that the system increased nonresident tuition and self-support last year. It is the practice of the Board to keep the HEFF maintenance and repair fund consistent with the tuition dollars received. The additional allocation is \$411,000 this year.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, to approve the revised FY17 HEFF M&R allocation and the project lists as presented in Attachment I. Motion Passed.

A copy of the FY17 HEFF M&R Allocation Adjustment can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-F BOR Policy 5:5 – Tuition & fees: General Procedures (Emergency Approval)**

Dr. Monte Kramer, System Vice President of Finance & Administration, presented the BOR Policy 5:5 revisions. The significant change to this policy is the threshold for when a receivable hold (CAR HOLD) is placed on an overdue student account. BOR Policy 5:21 System Collection Policy set the hold amount for a delinquent account at \$250.00, per a request from Academic Affairs to increase it from \$50.00. This proposed policy change now adds that \$250.00 amount to all accounts past due.

IT WAS MOVED by Regent Schieffer, seconded by Regent Johnson, to approve the emergency implementation of revisions to BOR Policy 5:5 – Tuition and Fees: General Procedures. Motion Passed.

A copy of BOR Policy 5:5 – Tuition and Fees: General Procedure revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-G BOR Policy 5:11 – Personal Dues and Subscriptions (Second Reading)**

Dr. Monte Kramer, System Vice President of Finance & Administration, presented the proposed changes to BOR Policy 5:11 – Personal Dues and Subscriptions. He said the policy was last reviewed in 1990, yet the purpose and intent have not changed. Definitions have been added to the policy and the policy has been reworded to clarify its intent.

IT WAS MOVED by Regent Schieffer, seconded by Regent Roberts, to approve the second reading of the revisions to BOR Policy 5:11 – Personal Dues and Subscriptions. Motion Passed.

A copy of the BOR Policy 5:11 Personal Dues and Subscriptions revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-H BOR Policy 5:25 – Auxiliary Revenue System (Second Reading)**

Dr. Monte Kramer, System Vice President of Finance & Administration, presented the proposed changes to BOR Policy 5:25 – Auxiliary Revenue System. He said the revisions are minor but reflect reporting requirements in the current bond covenants.

Regent Bastian asked a question about the definitions section. He pointed out a definition that is not actually a definition rather policy content. Dr. Kramer agreed and said that he would need to change the policy and replace it within the body of the policy. Regent Bastian said he is alright to vote for this policy but suggests that Dr. Kramer clean it up when he is able.

Regent Jewett asked clarifying questions about the revenue system accounts.

IT WAS MOVED by Regent Schieffer, seconded by Regent Morgan, to approve the second reading of the revisions to BOR Policy 5:25 – Auxiliary Revenue System. Motion Passed.

A copy of the BOR Policy 5:25 Auxiliary Revenue System revisions can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-I Residence Hall Occupancy Report for Fall 2016/Spring 2017**

Dr. Monte Kramer, System Vice President of Finance & Administration, introduced the Residence Hall Occupancy Report, explaining that each year the Board office staff collects information on the fall utilization numbers for the campuses' residence halls. This information is summarized by campus and put in the Fact Book. Last year the Board office staff also began collecting the information for the spring semester. Percentages for both 2016 and 2017 academic years were presented and compared.

He mentioned that when campuses prepare financial information for new residence halls, 90% is the number used for occupancy. As a rule of thumb the system needs to remain above 90% to maintain financial stability. As campuses dip below that figure for an extended period of time, they begin to put pressure on other areas to maintain their 1.2 coverage ratio.

Regent Johnson asked about the requirement that the Regental institutions maintain a 90% occupancy rate target. She said the annual average of the numbers provided do not equal 90%. Dr. Kramer said the long-term trend of being below 90% is the concern. He said when these numbers are below 90% in any given year, the campuses must cut costs to make up for the loss.

A copy of the Residence Hall Occupancy Report can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-J USD North Commons Renovation Preliminary Facility Statement**

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that this project is a little bit different because the USD North Commons facility is part of the revenue system. Therefore, appropriate rent is required from the unit using the space or until such time as the Commons space is purchased from the auxiliary system.

Sheila Gestring, USD Vice President for Finance & Administration, explained that USD requests approval of its Preliminary Facility Statement to begin planning for the renovation of the North Commons building. This space previously housed the USD dining services and has not been occupied since 2014 when USD moved all its dining to the Muenster University Center addition. She said USD is considering a renovation to the North Commons to provide much needed space for USD support services and student programs. Originally, USD estimated a renovation cost of \$1.5 million or less. However, the project now may exceed the \$1.5 million threshold which will require Board approval.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, to approve the USD's Preliminary Facility Statement to plan for renovation of the North Commons Building. A building committee representative should be appointed to oversee this project. Motion Passed.

A copy of the USD North Commons Renovation Preliminary Facility Project can be found on pages \_\_\_ to \_\_\_ of the official minutes.

**THURSDAY, MARCH 30, 2017**

Regents' President Schaefer resumed the meeting at 9:25 a.m.

## **7-K FY17 General Bill Amendments**

Dr. Monte Kramer, System Vice President of Finance & Administration, presented the General Bill Amendments to the FY17 General Bill. He described the portion of the bill relating to the Board of Regents and noted that any changes in the bill are considered one-time adjustments and are not base-budget adjustments.

Regent Johnson said she disagrees with the formula used to determine the claw backs of general funds distributed a year ago. She said it seems like the same formula used to allocate the funds should be used to determine the claw backs. In other words, they determined the general funds by one formula and took them away using another. If a similar scenario is presented in future years, she encourages the Board to ensure fairness of how general funds are apportioned and taken away.

A copy of the FY17 General Bill Amendments can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-L FY18 Budget Summary**

Dr. Monte Kramer, System Vice President of Finance & Administration, provided an overview of the general fund base budget changes pertaining to the Board of Regents. He explained that the Board received an overall decrease to the general fund base of \$3,675,961. He said no employee compensation package was approved this year, which is another 1.7% decrease to the FY17 general fund base.

He said the estimated base for FY18 does not include health insurance funding. Dr. Kramer explained that the state will need to modify its health care package to recover the loss. Additionally, the Board will have to increase tuition in order to cover health care increase for every employee (\$83.00 per employee). Regarding the modification to the state's health care plan, he said the Commissioner of the Bureau of Human Resources recently informed state employees that the employee health care plan will be modified in the following ways: the current \$750 deductible plan which will move to \$850, and the out-of-pocket maximums will increase by \$500 for all health care plan options.

Dr. Kramer said that the state was not able to contribute to the system's maintenance and repair (M&R) fund this year. He said this state investment has been a very important element of our budget. He said keeping the M&R fund to 2% has been very important and he hopes the legislature will be able to fund it again next year.

Regent Jewett asked for clarification about the reduction, which he understands to be a total of \$4 million. Dr. Kramer said that total is correct with one caveat. He said FY17 is not a base budget cut so it only comes out of the budget one time.

Regent Jewett commented on the Higher Education Facilities Fund (HEFF) and said the state of South Dakota has rarely been involved in building higher education's facilities. Until 2014, the state was also not maintaining any part of the buildings. At that time, the state started participating in the maintenance of buildings which is very important to the system. He said South Dakota students carry a materially larger burden than other states' students in terms of building and maintaining buildings. He emphasized the importance of keeping this a priority.



A copy of the FY18 Budget Summary can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-M 2016-2017 Regional Tuition Survey**

Mary Ellen Garrett, System Accounting Director, explained that the Board office conducts an annual comprehensive tuition survey of the four-year public institutions in the surrounding states.

She said when looking at how South Dakota tuition and fee rates rank in the region (ranking from lowest to highest), South Dakota continues to rank seventh highest out of eight states for undergraduate resident tuition and fees. It ranks third out of eight states for graduate resident tuition and fees. South Dakota remains the lowest for nonresident undergraduate and graduate tuition and fees. South Dakota's undergraduate resident total cost (including tuition, fees, room and board) ranks fifth highest out of the eight states while nonresident undergraduate and nonresident graduate total costs are the lowest. Graduate resident rates are within \$1,159 of the lowest school. The low nonresident rates reflect the goal of recruiting nonresident students to build the SD workforce.

In response to a question, Dr. Monte Kramer said this survey does not account for any graduate assistantships that are awarded to students.

Regent Johnson said in the areas of engineering and science, it is true that at the PhD level students get assistantships but others, such as those getting a doctorate in education, often do not get assistantships.

The results and more information on the 2016-2017 Regional Tuition Survey can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-N FY18 Tuition and Fee Overview**

Mary Ellen Garrett, System Accounting Director, presented an overview in order to frame the context of the proposed tuition and fee increases being considered by the Board. Included in the overview was a summary of cost drivers (funding issues that must be considered when determining the annual cost increase to students), annual cost, and state versus student funding.

A copy of the FY18 Tuition and Fee Overview can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-O FY18 On-Campus Tuition and Mandatory Fees**

Mary Ellen Garrett, System Accounting Director, described the factors that were considered in the proposals for tuition and mandatory fee increases. She said the FY18 proposal for tuition and mandatory fees attempts to keep the cost to students as low as possible in consideration of student access, service to students, and delivering the highest quality education possible to our students.

For Option 1 as described in the agenda item, the impact to students within the system will range from \$48.00 to \$315.00 per year and will be an average cost increase of \$197.50 per year or 2.4%.

She indicated that minimal cost drivers will influence the tuition and fee rates for the upcoming year. There is no state salary policy increase for FY18. The estimated increase of \$342 in health care per benefit eligible employee was recommended by the Governor; however, the Legislature

funded only 25% of this need through general funds. The increased cost per benefit eligible employee will be \$83; the difference will have to be made up with health care plan changes. The \$83 increase is covered in this proposal as part of the increase to tuition of 0.5%. Additionally, she explained that the Consumer Price Index increase for the last fiscal year was .67%. This inflationary increase will be applied to the operating expense base budgets for tuition and all the fees.

She said BHSU, NSU, SDSU, and USD all submitted GAF increases above inflation. Justifications for these requests were presented and discussed.

She provided insight into Option 2 as described in the agenda item. She said in March 2012, the Board established differential tuition rates for the research universities. The differential rates allowed SDSM&T, SDSU, and USD to generate income that is retained under University Managed Resources to support the broader research mission. The differences in salary levels, overhead to support research, commitment by researchers to generate research monies, space requirements, and equipment investments are just some of the real costs that are recognized differences between the institutions. These differences provide a sound rationale for the alignment of price with cost of delivery. This would be a \$5.70 per credit hour increase for undergraduate residents, \$16.30 for undergraduate non-residents, \$8.60 for graduate residents, and \$26.30 for graduate nonresidents.

Dr. Monte Kramer provided additional perspective on the 2012 differential rates and further described Option 2 which proposes changes to the \$5.70 and \$8.60 rates described.

Regent Adam noted that the CPI increase has not mirrored the actual inflation of tuition over the last 10 years. Therefore, he wonders if it is really fair to use the CPI as a long term inflationary measure. He wonders about the sustainability over the long term if we continue to make increases above and beyond our benchmark. It is important to keep this in mind. Every increase above our benchmark should not be taken lightly.

Regent Johnson shares Regent Adams thoughts and concerns. However, she said she will support Option 2. She said six years ago there was a thought among most of the Regents that it was important to take a look at the historic distribution of base funds to the universities. The Board office staff analyzed whether or not the money had really followed the work load of the different universities. She described the funding formula they used to analyze the fund distribution. She said at that time they found disparity in base funding measures but had limited tools to correct it. Working with the Governor's office, they understood that this could be dealt with in phases which included a modest realignment of base budgets and differential tuition. After looking at the annual increases for the smaller schools which are slight, it is clear that they have been doing this on a shoe string. Her concern is that there is an expectation on these small schools to increase retention while taking more at-risk students, yet there is no new money for increased services. With this increase, she expects an increased responsibility for institutions and foundations to raise money for scholarships to help the students who cannot afford this.

Regent Bastian assumed that Option 2 would include a .5% increase at the three research schools which is proposed in Option 1. He asked for clarity on whether or not Option 2 was inclusive of all schools or only the schools with the lower tuition rate. It was clarified that Option 2 incorporated all of Option 1; the difference is in the \$5.70 per credit hour increase for undergraduate students and \$8.60 for graduate residents.

Regent Adam asked Dr. Kramer if all three of the smaller schools support Option 2. Regents' President Schaefer invited the presidents from NSU, BHSU and DSU to comment.

BHSU President Jackson supports Option 2 and hopes the Board will support it. BHSU Student Senate President concurred.

DSU President Griffiths supports Option 2 and does not feel it will have an impact on enrollment. The additional money will help support student success efforts and said that all comprehensive schools conduct research and have similar demands as the research institutions.

NSU President Downs said that the students have indicated that they want the GAF increases and the other proposed increases will not impact enrollment. He agreed that it is important to raise scholarship dollars to support students.

Regent Morgan asked the presidents if this money would be used for student success efforts. President Griffiths agreed that this money is critical for student success efforts, which they have continually identified as a top priority. President Downs agreed and described NSU's Title III grant which only last five years. He said their retention efforts have paid off with an increase of 8%. This money would support the efforts built by the Title III grant, which the institution needs to pay for on its own starting the sixth year after the grant was received.

Regent Schieffer asked if Option 2 would affect BHSU considering the proposal to be addressed later in the meeting. Dr. Rush said if Option 2 is approved, he has an alternative motion for the BHSU proposal to reflect it.

Regent Jewett shared additional perspective on the historical summary provided by Regent Johnson. He used Fact Book information to show the funding challenges of the smaller schools. He also addressed the CPI issue and said that the higher education CPI was always higher than the actual CPI, which is why the legislature did not like it. He said that higher education CPI included the nationally normed faculty salaries, which South Dakota does not pay.

In response to Regent Schieffer's question, Dr. Kramer said that the \$2 million decrease in general funds along with any tuition increase will set the system backward in its goal to get the state to pay 50% of the students' education.

Regent Schieffer commented on Regent Morgan's proposal. He said he does not understand the notion that the schools need to have the same or different tuition rates. He asked if each institution could be analyzed individually rate setting purposes in future years. He said the research institutions around the country have higher rates due to the fact that they cost more to run. From a business perspective, he would like to pursue an analysis and justification for individual rate structures. He would like a better cost justification to go in the reverse direction of our goal toward 50% of student burden.

Regent Jewett said he does not disagree philosophically with Regent Schieffer's sentiments. He said this cannot be done this year but could be considered in the future. He provided further justification for the proposal in front of the Regents.

Regent Roberts appreciated Regent Schieffer's comments and explained her concerns about raising rates for the smaller schools.

Regent Bastian asked Dr. Rush and staff to consider whether this should be a discussion topic at the August. The topic would address the following question: Can we set different rates at the different schools and what would we need to do in order to consider this change? Regents' President Schaefer agreed and suggested that this be added to the retreat agenda.

Regents' President Schaefer said there may have been a better way to handle the differential tuition in 2012. He is not clear that the two categories of schools, comprehensive versus research, was the right approach. He recognized that the lack of a critical mass as the smaller schools needs to be accounted for in the costs it takes to run an institution. He also indicated that the differential tuition effort of 2012 has not accomplished what he thought it would at that time. He felt that the motion on the floor would allow the smaller institutions the opportunity to regain footing on student success efforts and going forward we could analyze funding.

Regent Sutton agreed that we need a working group to consider the questions posed today and the work of that group can inform the August retreat topic. He felt that the motion on the floor would allow all institutions to start at a level playing field and help to focus the needed conversations.

Regent Adam recognized the importance of comments made by Regents and presidents and said he will vote for Option 2.

Regent Morgan asked that the opportunity be provided to the presidents of the larger schools to comment on the proposed .5% increase.

SDSU President Dunn said he has been monitoring the total cost of degrees and feels that SDSU's competitiveness remains. He recognized the challenges with the state budget and agreed with the cautious approach proposed.

Sheila Gestring, USD Vice President of Finance & Administration, said that although there are several student success initiatives USD would like to fund, she feels the .5% increase to cover the cost drivers is what must be considered at this time.

Regent Morgan said the most expensive degrees are those that are not completed. He said he doesn't feel that the comprehensive schools need to be lock step with the research universities in regard to tuition rates in the future. He would like to acknowledge the priority of student success and propose an additional increase for the large schools.

IT WAS MOVED by Regent Johnson, seconded by Regent Bastian, to approve the proposed FY18 On-Campus Tuition and Mandatory Fees represented within the Board agenda item with the addition of \$5.70 per credit hour increase for undergraduate residents and nonresidents; and \$8.60 for graduate residents and nonresidents at BHSU, DSU and NSU, and to authorize the Executive Director to adjust all tuition rates affected by these additions. Final rates are represented in Appendix A. Motion Passed.

IT WAS MOVED by Regent Morgan to amend the motion on the floor to increase the tuition at the large universities (SDSM&T, SDSU, USD) by \$2.50 per credit hour for student success initiatives. The motion died for lack of a second.

A copy of the FY18 On-Campus Tuition and Mandatory Fees can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-P FY18 System, Discipline, Delivery, and Vehicle Registration Fees**

Mary Ellen Garrett, System Accounting Director, presented the proposed increases to the FY18 System, Discipline, Delivery, and Vehicle Registration Fees.

She presented an additional handout to the Regents that describes the SDSU and USD BSN Clinical Nursing Fee increase. This increase is an additional \$36.50 per credit hour fee to pay for software required by the clinical sites. She said these additional proposals should be considered a part of Attachment I.

She also said the Bureau of Finance and Management calculated the annual Consumer Price Index (CPI) for the last fiscal year at .67%. This inflationary increase is sufficient to cover the \$83 increase in employee health care and an increase on operating expenses.

IT WAS MOVED by Regent Schieffer, seconded by Regent Roberts, to approve the proposed FY18 System, Discipline, Delivery, and Vehicle Registration Fees as presented in Attachment I with the addition of the \$36.50 BSN Clinical Nursing fee increase that was not presented in the original Attachment I but was presented as a separate handout in this discussion. Motion Passed, Regent Sutton abstained.

A copy of the FY18 System Discipline, Delivery, and Vehicle Registration Fees can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-Q FY18 Off-Campus Tuition**

Mary Ellen Garrett, System Accounting Director, presented the FY18 Off-Campus Tuition Rates proposal to the Board. She said all courses offered off campus, including those at the University Centers and electronically delivered courses, are charged an off-campus tuition rate. The off-campus tuition rate includes a HEFF component of 11.5%. All off campus tuition rates are charged per credit hour. The proposed rate increase for off-campus tuition is commensurate with the system weighted cost increase for on-campus tuition. The increase is .5%.

Regent Jewett said that University Centers are treated as off-campus for tuition rates, meaning higher tuition rates for these students. He noted the challenge in this business model. He said it should be a priority of the Board to change this tuition structure to fall under “state support” or a lower tuition rate.

Regent Bastian asked for clarification about state statute. Statute says that the University Center in Sioux Falls has to be at a self-support rate and to change it to on-campus rates would require legislative action. There is an understanding that the other University Centers should be handled similarly. He said if the Board addresses this topic with the legislature, it should address both the UC-SF tuition rates and release the other University Centers from the understanding.

Regent Bastian asked for further clarification about the motion on the floor and whether or not it would need to be adjusted considering the rate adjustment just approved by the Board.

Dr. Rush said this motion should either be taken as written in the agenda item or be adjusted to reflect the preference of the Board considering the motion just approved by the Board that increases the rates for BHSU, NSU, and DSU.

Regent Johnson said the off-campus tuition rate is set equal to the highest tuition rate. Dr. Kramer said the highest rate is being driven by the GAF increase. Dr. Kramer said this can be corrected by accepting the motion with the addition that we will adjust the rate of the technical institutes to reflect the actions of Option 2.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, to approve the proposed FY18 Off-Campus Tuition and Mandatory Fees as presented in Attachment I. Motion Passed.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, to give the Executive Director the authority to make further refinements to the FY18 Off-Campus Tuition and Mandatory Fees just approved with respect to the Technical Institute charges that would comport with the tuition fee proposal (Option 2) that was earlier passed. Motion Passed.

A copy of the FY18 Off-Campus Tuition can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-R FY18 Housing and Food Service Rates**

Mary Ellen Garrett, System Accounting Director, presented the FY18 Housing and Food Service Rates to the Board. The residence hall rates are charged on a per semester basis to fund the ongoing operations of the residence halls as well as major repairs, renovations, and debt service. The proposed increase for FY18 is the Consumer Price Index (CPI) of .67% which will provide the necessary funds needed to cover the health care increase and inflation on operating expenses (OE). She provided an overview of the recommended rates and increases above inflation for FY18 that can be found on Attachment I in the agenda item.

IT WAS MOVED by Regent Schieffer, seconded by Regent Sutton, to approve the FY18 Housing and Food Service Plan rates as presented in Attachments I & II. Motion Passed.

A copy of the FY18 Housing and Food Service Rates can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-S FY18 Special Schools Nonresident Tuition**

Mary Ellen Garrett, System Accounting Director, said the South Dakota School for the Blind and Visually Impaired (SDSB&VI) annually reviews its instructional and residential costs to determine an appropriate tuition rate for non-resident students who may attend the school. The current tuition rate at SDSB&VI is \$35,611 for instructional costs and \$14,394 for residential care. This rate is reflective of the current costs for these areas. It is recommended that the rate be increased by inflation only.

IT WAS MOVED by Regent Schieffer, seconded by Regent Roberts, to approve the FY18 nonresident instructional tuition rate to be \$35,789.00 and the residence cost to be set at \$14,466.00 for the School for the Blind and Visually Impaired as presented in the item. Motion Passed.

A copy of the FY18 Special Schools Nonresident Tuition can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-T FY18 Graduate Assistant Stipends**

Mary Ellen Garrett, System Accounting Director, said the Board annually establishes a minimum stipend to be paid to graduate assistants. Graduate assistants are expected to work a full semester to receive the full semester compensation. Graduate assistants are expected to work the full four-week summer to receive the full four-week session compensation. The minimum compensation may be prorated accordingly if the graduate student does not work the full semester or four-week session.

Mary Ellen said the Board has traditionally increased the minimum amount of the graduate assistant stipends by the rate of increase in resident graduate tuition. The increase is rounded to the nearest dollar. She also mentioned that SDSU waives tuition and fees for their graduate assistants and fellows as compensation for their work. Therefore, the salary minimum does not apply to SDSU.

IT WAS MOVED by Regent Schieffer, seconded by Regent Bastian, to approve of BHSU, DSU, and NSU for FY18 minimum graduate assistant stipends in the amount of \$3,612 per semester and \$903 per four-week session; SDSM&T FY18 minimum graduate assistant stipends in the amount of \$3,849 per semester and \$962 per four-week session; and USD FY18 minimum graduate assistant stipends in the amount of \$3,763 per semester and \$940 per four-week session. Motion Passed.

A copy of the FY18 Graduate Assistant Stipends can be found on pages \_\_\_ to \_\_\_ of the official minutes.

## **7-U SDSU Replacement of Bond and Utility Fee with General Activity Fee**

Dr. Monte Kramer, System Vice President of Finance & Administration, stated that currently student meal plan costs at four of the universities (BHSU, SDSM&T, SDSU and USD) include a facility fee, also known as bond and utility fee (BUF), in the total semester meal plan cost paid by the student. This fee is used to pay utility costs and bond payments on the student food service facilities. He said that this assessment methodology has been in place since the 1970's when food service was structured around traditional "board plans" (a specified number of meals provided per semester) and before the current food service flexibility to choose from a wide variety of meal options in the student union. Historically, this fee has been paid by the students residing in the university residence halls (residential students). With recent renovations and relocations of food service facilities to student unions and other locations, university food service facilities now serve non-residential students in addition to the traditional residential students. Over time, this assessment methodology has become outdated and increasingly unfair to residential students. Many on-campus students use the current student union food service venues, but only the residential students are currently paying the bond and support costs for those services.

SDSU proposes to assess the facility fee as a component of the general activity fee (GAF) rather than as an addition to residential meal plan costs. By assessing the fee through the GAF, the cost would be recovered from all students rather than just from residential students. This change would replace the current outdated assessment method with a fairer assessment method that fits contemporary food service operations that provide service to both residential and non-residential students. Students taking on-campus courses would pay the fee as they are likely the ones using the food service venues.

Dr. Kramer mentioned that the proposed change would be revenue neutral – the facility fee on the meal plans would be phased out and the GAF would be increased to recover the revenue currently received from the facility fee. Instead of entirely replacing the BUF with a GAF in FY18, a four-year transition plan is proposed for FY18 to FY21. The proportion of revenue generated from the BUF will transition to GAF over the four-year period, phasing out the BUF entirely in FY21. This is the fairest approach to students that have already paid the full BUF as sophomores and juniors.

Wes Tschetter, SDSU Vice President of Finance & Administration, pointed the Board to the fee structure described in the agenda item. He said the structure includes a fee at the same rate as on the meal plan, which creates a more equitable and transparent way to assess the fee. He said the Student Union has seven venues that did not exist 10 years ago. He further explained that about 2,000 students use this facility who do not have a meal plan. Therefore, those with meal plans pay a 13% premium compared to the users without a meal plan. He said that in addition to being the fairest way to assess the fee, it is also the most stable way to pay the bond payments.

Michaela Willis, SDSU Vice President of Student Affairs, said the current system places the financial burden of the Student Union dining service on the backs of the freshmen and sophomores and creates inherent challenges for student success. The new model seeks to build in transparency to demystify the cost of college because the current system is difficult to understand. She said students and parents have a hard time understanding why they are charged this fee. Furthermore, the cost of the meal plan when including the BUF makes SDSU less competitive to prospective students as well. Spreading this cost allows the institution to be more comparable to competitors. She emphasized the fact that this change is revenue neutral. Additionally, she noted that while the Student Association approved a resolution that does not outright support the change, the Resident Hall Association which represents nearly 4,800 students voted in support of the change.

Allyson Helms, President of SDSU Student Association, spoke in opposition to this proposal. She said shifting this fee to the student body during a year with tuition increases is not the solution. The issue has never been presented as a problem on behalf of students, it was always brought forward by the administration. The Student Association does not see a compelling reason to change at this time.

Regent Schieffer asked Allyson why it is fair for the individuals without a meal plan to pay less than those with a meal plan. Allyson responded by saying that all students pay this at some point when they are required to live in the residence hall. She referenced a compromise position proposed by the student association which was declined by the administration.

Wes noted that he respected the students' position but there are reasons for this change other than preference. Dr. Willis further explained that the amount generated (\$200,000) does not cover the entire bond and utility payment. Additionally, she noted that the RHA did speak in favor to the four-year transition plan.

Regent Adam pointed out that only 15% have never paid the BUF and only 20% of students who do not have a meal plan use the Student Union dining services. Therefore, he feels that students who do not use the facilities will be forced to pay for a service they do not use.

Regent Jewett emphasized the importance of the student voice.



Dr. Kramer said the proposal in front of the Board is the best option for a transition plan. He said this is a better model that would work for SDSU.

Allyson emphasized that the Student Association brought forward a compromise position, but it was not achieved.

Regent Bastian understood that SDSU is considering future renovations to Larsen Commons. Dr. Willis said when Larson Commons was upgraded a few years ago, the back of the house was not addressed. She said there is significant need to upgrade the back side. As SDSU looks at that solution, it will not look to a bond and utility solution instead it will look at a GAF solution.

Regent Johnson said this is the better business plan and she has heard from countless parents that the meal plans cost more than if their student purchased food without the plan. Regent Morgan feels that the voice that is not represented is the incoming freshmen and this change has the possibility to help with recruitment.

Allyson recognized that the transition will likely happen at some point, but she said she felt this was not the year considering the additional tuition and GAF increases.

Wes indicated that there is no perfect year, but with no salary increase this year, there is less increases than would be included in a year with salary policy. Regent Jewett agreed and said this would be the year to do this due to this year's salary policy situation.

IT WAS MOVED by Regent Schieffer, seconded by Regent Morgan, to approve the plan to replace the bond and utility fee at SDSU with a GAF increase over the next four years and to reduce the food service rates. Motion Passed.

A copy of the SDSU Replacement of Bond and Utility Fee with General Activity Fee can be found on pages \_\_\_ to \_\_\_ of the official minutes.

### **7-V BHSU Tuition Structure Proposal**

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that BHSU is proposing to charge an estimated rate of \$231 per credit hour for undergraduate resident taking on-campus courses and \$381 per credit hour for undergraduate nonresidents taking on-campus courses. No additional fees will be assessed on these rates with the exception of the professional education major's fees. All other special discipline fees will be eliminated, becoming part of the one-rate tuition structure for BHSU courses. He said this is a reasonable approach to presenting tuition and fee costs. The purpose of this is not to increase revenue as the costs will be spread evenly across students. The purpose is to make a simpler fee structure.

Regent Schieffer recognized the slight adjustment that will need to be reflected due to the Board's decision to pick Option 2 for the tuition setting in 7-O.

Dr. Kramer said that going forward BHSU will request increases and he feels comfortable that he will have the details needed to provide the appropriate background.

Regent Johnson said the discipline fees come as a surprise to students and parents because it is not clearly viewed when they look at the tuition and fee schedule. From this perspective, it is more transparent.

Regent Jewett said that although it is simpler he is uncomfortable with the proposal considering the Fact Book outlines all the fees and he is unsure of how these details will be outlined for BHSU going forward. Dr. Kramer described the fees that will be rolled into the tuition structure.

Dr. Kramer said that he knows what has been rolled into the rate structure and the history will be maintained.

Regent Bastian said he is in favor of this proposal and thinks that the Fact Book page, which will continue to list the various fees, could indicate by asterisks which fees are under the BHSU tuition rate.

Dr. Kramer said Regent Bastian's suggestion was not how he was envisioning this in the future. Instead he will use the history to describe the detail to the Regents.

IT WAS MOVED by Regent Schieffer, seconded by Regent Roberts, to approve BHSU's tuition proposal for an all-inclusive tuition structure proposal based on the FY18 on-campus rates already approved in agenda item 7-O. Motion Passed.

A copy of BHSU's Tuition Structure Proposal can be found on pages \_\_\_ to \_\_\_ of the official minutes.

Dr. Kramer clarified that the ADRDL is maintained by general funds. No HEFF funds will be used in

### **RESOLUTION TO RECOGNIZED REGENT KATHRYN JOHNSON**

Regents' President Randy Schaefer said if there was no objection to amend the agenda to recognize Regent Kathryn Johnson he would entertain a motion.

IT WAS MOVED by Regent Sutton, seconded by Regent Schieffer, to recognize Regent Kathryn Johnson for her years of dedicated service to South Dakota's system of public higher education. Motion Passed.

Regents' President Schaefer and Regent Sutton presented Regent Johnson with a plaque and medallion. Dr. Rush read Regent Johnson's Resolution of Recognition aloud:

**WHEREAS**, Kathryn Johnson served the people of the state of South Dakota for 12 years, from April 2005 to March 2017, as a member of the South Dakota Board of Regents; and

**WHEREAS**, Regent Johnson performed with distinction as Secretary (2008-2009), Vice President (2009-2011), and President of the Board of Regents (2011-2013); and

**WHEREAS**, Regent Johnson served as a tireless advocate for the advancement of research and innovation in South Dakota, playing an integral role in enhancing the state's research trajectory, and leaving a lasting impact for generations to come; and

**WHEREAS**, Regent Johnson exemplified steady, thoughtful leadership as the Board embarked on initiatives to promote strong academic standards, to develop innovative approaches to resource allocation and performance assessment, and to improve relationships with South Dakota policymakers; and

**WHEREAS**, Regent Johnson took an active and involved role to ensure that South Dakota's public resources were always invested wisely to achieve the academic, research, and service missions of the Board of Regents' system; and

**WHEREAS**, Regent Johnson served throughout her tenure on the Board with utmost integrity and steadfast dedication to the improvement of South Dakota's system of public higher education and its constituent institutions;

**THEREFORE, BE IT RESOLVED**, that it is the desire of the Board of Regents to applaud and recognize Regent Johnson for her dedicated service, leadership, and vision; and

**BE IT FURTHER RESOLVED**, that Regent Kathryn Johnson be thanked for her outstanding contributions and dedication to higher education and to South Dakota, and it is ordered that this Resolution be spread upon the minutes of this Board and that a copy thereof be forwarded to Regent Johnson.

Adopted this 30<sup>th</sup> day of March, 2017.

The audience gave Regent Johnson a standing applause.

Regent Sutton also recognized the leadership of Regents' President Schaefer as he concludes his term as president.

**ADJOURN**

IT WAS MOVED by Regent Schieffer, seconded by Regent Morgan, to adjourn the March 2017 Board of Regents meeting. Motion Passed.

Meeting adjourned at 1:00 p.m.



**South Dakota Board of Regents**  
**FY18 Tuition and Fee Schedule**  
 As a Result of Board Action

	<u>BHSU</u>	<u>DSU</u>	<u>NSU</u>	<u>SDSM&amp;T</u>	<u>SDSU</u>	<u>USD</u>
<b><u>On-Campus Tuition <sup>(1)</sup></u></b>						
<b><u>Undergraduate - Per Credit Hour</u></b>						
Resident	\$250.45	\$239.70	\$239.70	\$246.00	\$239.70	\$239.70
State Employee, ROTC, Teacher Certification	\$125.25	\$119.85	\$119.85	\$123.00	\$119.85	\$119.85
Over Sixty-Five	\$137.75	\$131.85	\$131.85	\$135.30	\$131.85	\$131.85
Remedial <sup>(8)</sup>	\$335.00	\$335.00	\$335.00	\$335.00	\$335.00	\$335.00
Western Undergraduate Exchange <sup>(2)</sup>	\$350.45	\$337.35	\$337.35	\$369.05	\$347.95	\$347.95
Nonresident	\$350.45	\$337.35	\$337.35	\$385.30	\$347.95	\$347.95
N.D. Student Attending NSU			\$239.70			
Wyoming Student Attending BHSU <sup>(3)</sup>	\$250.45			\$246.00	\$239.70	\$239.70
Child of Alumni <sup>(4)</sup>	\$250.45				\$239.70	\$239.70
Iowa Students Attending DSU, NSU, SDSU, & USD <sup>(5)</sup>		\$239.70				
Minnesota Reciprocity -SU2017	\$268.00	\$237.25	\$271.90	\$244.80	\$268.10	\$258.60
<b><u>Graduate - Per Credit Hour</u></b>						
Resident	\$323.35	\$314.70	\$314.70	\$320.05	\$314.70	\$314.70
State Employee, Teacher Certification	\$161.70	\$157.35	\$157.35	\$160.05	\$157.35	\$157.35
Graduate Assistant	\$171.35	\$166.80	\$166.80	\$169.65	\$166.80	\$166.80
Over Sixty-Five	\$177.85	\$173.10	\$173.10	\$176.05	\$173.10	\$173.10
Nonresident	\$603.35	\$587.50	\$587.50	\$642.35	\$605.05	\$605.05
Nonresident Graduate Assistant	\$203.70	\$198.25	\$198.25	\$201.65	\$198.25	\$198.25
Minnesota Reciprocity -SU2017	\$441.05	\$436.30	\$444.95	\$427.75	\$441.15	\$431.65
Western Regional Graduate Program <sup>(6)</sup>	\$323.35	\$314.70		\$320.05	\$314.70	
<b><u>Pharmacy &amp; Allied Health Programs <sup>(7)</sup></u></b>						
Resident - Per Semester					\$4,718.00	
Nonresident - Per Semester					\$10,122.00	
Nonresident - Per Credit Hour					\$821.60	\$821.60
Minnesota Reciprocity - SU2017 - Semester					\$7,335.00	
Minnesota Reciprocity - SU2017 - Credit Hour					\$585.50	\$585.50
<b><u>Law School</u></b>						
Resident - Semester						\$5,429.00
Graduate Assistant - Credit Hour						\$191.80
Nonresident - Per Semester						\$14,467.00
Nonresident Graduate Assistant						\$228.05
Minnesota Reciprocity - SU2017 - Semester						\$9,006.00
Minnesota Reciprocity - SU2017 - Credit Hour						\$600.40
<b><u>Medical School</u></b>						
Resident & INMED Program - Annual						\$29,703.00
Nonresident - Annual						\$71,178.00
Minnesota Reciprocity - Annual						\$34,594.00

**South Dakota Board of Regents  
FY18 Tuition and Fee Schedule  
As a Result of Board Action**

[BHSU](#)      [DSU](#)      [NSU](#)      [SDSM&T](#)      [SDSU](#)      [USD](#)

**Mandatory Fees <sup>(1)</sup>**

General Activity Fee - Credit Hour	\$36.25	\$39.00	\$36.30	\$47.60	\$41.65	\$52.70
Computer Lease Fee - Semester		\$393.00				

**Off-Campus Tuition Rates <sup>(8)</sup>**

Undergraduate	\$335.00	\$335.00	\$335.00	\$335.00	\$335.00	\$335.00
Undergraduate State Employee at Centers	\$209.75	\$215.15	\$215.15	\$212.00	\$215.15	\$215.15
Undergraduate Teacher Certification at Centers & Internet	\$209.75	\$215.15	\$215.15	\$212.00	\$215.15	\$215.15
UC-SF Associates Degree Program (Lower Division)	\$271.35	\$271.35	\$271.35	\$271.35	\$271.35	\$271.35
National Guard and Active Duty Military Personnel at Centers	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Graduate	\$444.25	\$444.25	\$444.25	\$444.25	\$444.25	\$444.25
Graduate State Employee at Centers	\$282.55	\$286.90	\$286.90	\$284.20	\$286.90	\$286.90
Graduate Teacher Certification at Centers & Internet	\$282.55	\$286.90	\$286.90	\$284.20	\$286.90	\$286.90
Graduate Assistant at Centers & Internet	\$296.35	\$296.35	\$296.35	\$296.35	\$296.35	\$296.35
Technical Institute - Resident Undergraduate	\$278.70	\$278.70	\$278.70	\$278.70	\$278.70	\$278.70
Technical Institute - Nonresident Undergraduate	\$376.35	\$376.35	\$376.35	\$376.35	\$376.35	\$376.35
Great Plains IDEA (Undergraduate)					\$405.00	
Great Plains IDEA (Graduate)	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Externally-Supported	\$145.00	\$145.00	\$145.00	\$145.00	\$145.00	\$145.00
Dual Credit Courses <sup>(9)</sup>						

**Notes:**

- All rates are effective at the end of the 2017 spring term.*
- SD National Guard members may be eligible for a benefit of fifty percent of the in-state resident tuition after federal tuition benefits are applied, but the benefits in total may not exceed 100% of the tuition cost. The graduate benefit is limited to 32 credit hours.*
- The mandatory fees are added to the on-campus tuition cost for a total cost per credit hour. Special discipline fees may also apply to certain courses and are in addition to on-campus tuition and mandatory fees.*
- States participating in the Western Undergraduate Exchange program: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming. The SDSM&T rate is available only to new freshmen and first-time transfers starting the summer of 2016.*
- The BHSU rate is available only to new Wyoming freshmen and first-time transfers starting the summer of 2013.*
- Starting summer 2015, participation in the program is limited to new freshmen or first-time transfers attending the same university from which one of their parents or legal guardian received a degree. Eligibility criteria apply and differ between institutions.*
- Tuition rate for new Iowa freshmen and first-time transfers attending DSU, NSU, SDSU & USD starting summer of 2016.*
- This rate applies to students from WICHE states enrolled in the SDSM&T, M.S. and Ph.D. degrees in Materials and Engineering and Science, Paleontology and Atmospheric Sciences or Computational Sciences and Robotics; BHSU: Integrative Genomics; DSU: M.S. Health Informatics; SDSU: M.S. Chemistry - Chemistry Education Specialization and M.S. in Athletic Training*
- Allied Health includes Nursing, Dental Hygiene, Occupational Therapy, Physician Assistant Studies, Physical Therapy, and HSC Paramedic Specialization*
- These rates are the total per credit hour cost. No additional fees will be assessed.*
- Offered to qualified public high school students participating in dual credit courses taken in person or at the University Centers. \$96.67 of the rate is provided by the SD Department of Education and applied towards the student's account.*

**Graduate Tuition Stipends**

[BHSU](#)      [DSU](#)      [NSU](#)      [SDSM&T](#)      [SDSU](#)      [USD](#)



**South Dakota Board of Regents**  
**FY18 Tuition and Fee Schedule**  
**As a Result of Board Action**

	<u>BHSU</u>	<u>DSU</u>	<u>NSU</u>	<u>SDSM&amp;T</u>	<u>SDSU</u>	<u>USD</u>
Per Semester	\$3,702.00	\$3,702.00	\$3,702.00	\$3,849.00	\$0.00	\$3,763.00
Per 4 Week Session	\$925.00	\$925.00	\$925.00	\$962.00	\$0.00	\$940.00

**BOARD OF REGENTS  
MINUTES OF THE MEETING  
Board of Regents Central Office (Teleconference)  
Pierre, South Dakota  
April 27, 2017**

The Board of Regents convened by teleconference at 10:30 a.m. Central Time on April 27, 2017 with the following members in attendance:

**ROLL CALL:**

Conrad Adam – PRESENT  
John Bastian – PRESENT  
Harvey Jewett – PRESENT  
Jim Morgan – PRESENT  
Pam Roberts – PRESENT  
Randy Schaefer – PRESENT  
Joan Wink - PRESENT  
Kevin Schieffer – ABSENT  
Bob Sutton – PRESENT

Also present were Mike Rush, Executive Director and CEO; Monte Kramer, System Vice President of Finance and Administration; Guilherme Costa, BOR General Counsel; Julie Kueter, Executive Administrative Assistant; and other members of the Regental system, public at-large, and media.

Regents' President Bob Sutton called the public meeting of the Board of Regents to order and declared a quorum present.

Regent Sutton welcomed Regent Wink to the Board of Regents.

**APPROVAL OF THE AGENDA**

IT WAS MOVED by Regent Jewett, seconded by Regent Morgan, to approve the agenda as published.

**ROLL CALL:**

Conrad Adam – AYE  
John Bastian – AYE  
Harvey Jewett – AYE  
Jim Morgan – AYE  
Pam Roberts – AYE  
Randy Schaefer – AYE  
Joan Wink - AYE  
Kevin Schieffer – ABSENT  
Bob Sutton – AYE

Motion Passed.

## **SOUTH DAKOTA BUILDING AUTHORITY REVENUE BONDS, SERIES 2017A**

Dr. Monte Kramer, System Vice President of Finance and Administration, provided background on the building process regarding the expansion of the Performing Arts Center at South Dakota State University. He said the Board last took action on the project when it approved its Facility Design Plan at its meeting in October of 2016. The most recent cost estimate for the project provided to the Board in December of 2016 identified a cost of \$48,391,807.

He said the bonds are being issued for this project along with the bonds for the ADR&DL facility with the benefit of reducing issuance costs. The Board does not need to take any action on ADR&DL as the new facility lease falls under the Animal Industry Board. The facility will be transferred to SDSU when the lease is satisfied.

The Building Authority, at the request of the Board of Regents, has agreed to finance the Performing Arts Center expansions through the issuance of revenue bonds. Dr. Kramer provided information about the parameters within which the Revenue Bonds are expected to be priced and sold.

He explained that the Board is being asked to adopt a single resolution on roll call vote, that will (1) request the Building Authority to go forward with the Project, (2) authorize the formal transfer of jurisdiction over the necessary property or structures to the Building Authority, (3) amend the lease agreement between the Board and the Building Authority to reflect the new transactions, and (4) authorize the officers of the Board of Regents and the Executive Director to execute other documents as may be required.

He noted that property transferred to the Building Authority as collateral for the Revenue Bonds will be reconveyed to the Board once the construction bonds, or refinancing instruments, have been discharged.

He said the private funds are currently available and have allowed the project to proceed and construction to begin. \$6,000,000 of the gifts will be funds from the City of Brookings' allocation of sales tax revenues. A plan was approved by the Board in December of 2015 to issue the HEFF bonds when appropriate and have SDSU cover the interest payments through FY21, and possibly through FY22. The interest payments will come from tuition captured in the university's Strategic Investment and Risk Management funds. The estimated cost to SDSU for interest through FY21 is \$1,888,129.38, and through FY22 would be \$2,350,244.38. Dr. Kramer noted that the interest rate for all inclusive costs is 3.94%. HEFF will pick up the principal starting in FY18, and principal and interest payments as soon as cash flows permit.

Regent Schaefer asked how this interest rate compares to those for other BOR bonds. Dr. Kramer said this rate is very close to what we've been getting on previous bonds due to the state's AAA+ rating.

IT WAS MOVED by Regent Adam, seconded by Regent Morgan, to adopt Special Resolution 26-2017 which will: request the Building Authority to proceed with the issuance of revenue bonds ("Revenue Bonds") to finance costs of constructing, renovating, furnishing, and equipping the Projects in an aggregate amount not to exceed \$13,000,000; to authorize the President of the Board and the Executive Director to execute an instrument of transfer to effect the transfer of jurisdiction



over the affected real property for the Project; to authorize the President of the Board and the Executive Director to execute a supplement to the existing lease between the Board and the Building Authority. This lease establishes the basis for the continued occupancy and use of the premises by the Board and outlines the conditions of payment to the Building Authority for such occupancy and use; and to authorize the officers of the Board and the Executive Director to take such other actions and to execute such other documents as may be required to carry out the actions approved pursuant to such special resolutions.

**ROLL CALL:**

Conrad Adam – AYE  
John Bastian – AYE  
Harvey Jewett – AYE  
Jim Morgan – AYE  
Pam Roberts – AYE  
Randy Schaefer – AYE  
Joan Wink - AYE  
Kevin Schieffer – ABSENT  
Bob Sutton – AYE

Motion Passed.

**ADJOURN**

IT WAS MOVED by Regent Adam, seconded by Regent Schaefer, to adjourn the meeting of the full Board at 10:50 a.m.

**ROLL CALL:**

Conrad Adam – AYE  
John Bastian – AYE  
Harvey Jewett – AYE  
Jim Morgan – AYE  
Pam Roberts – AYE  
Randy Schaefer – AYE  
Joan Wink - AYE  
Kevin Schieffer – ABSENT  
Bob Sutton – AYE

Motion Passed. Meeting adjourned.